



**LIBERTY**

## **ANNUAL TRUSTEE REPORT 2019**

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

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

# 2019 ANNUAL TRUSTEE REPORT

FOR THE PERIOD: 01 JANUARY 2019 - 31 DECEMBER 2019

## 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 the unclaimed benefits of members that have been transferred into the fund.

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

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 deceased. Benefits due to dependants and nominees of deceased members may also become unclaimed, as well as unclaimed surplus benefits owed to former members.

## FUND MANAGEMENT

The Funds are managed by a Board of Trustees. In terms of the Funds' Rules the Board of Trustees should consist of 50% of Independent Trustees and the remaining 50% should be 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 have to ensure that members' and beneficiaries' interests are managed effectively and efficiently at all times. 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 2019 are:

| Trustees         | Appointment                             |
|------------------|---|
| Michael Clifford | Chairperson and Sponsor Elected Trustee |
| Jerry Mnisi      | Independent Trustee                     |
| Douglas Maila    | Independent Trustee                     |
| Eva Kekana       | Independent Trustee                     |
| Jeremy Gill      | Alternate Independent Trustee           |

The Board of Trustees appoints 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 specialist:

| Role                    | Organisation                                |
|-------------------------|---|
| Auditor                 | PriceWaterhouseCoopersInc.                  |
| 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 Institutional Money Market Fund. Prior to processing the claim, the Assessor has to switch the member's benefit from the Stable Growth to Liberty Institutional Money Market. The Stable Growth portfolio aims to deliver longer term real investment returns, while also targeting a level of capital protection (reducing the likelihood of large negative investment returns in the shorter term). In order 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.

Stable Growth has managed to deliver inflation beating returns over the longer term, but in line with similar portfolios in South Africa (subject to Regulation 28, which limits the ability to invest offshore) has been impacted by the poor investment returns by most asset classes in South Africa over the last 5 years. In particular, the poor returns for South African Equities (compared to longer term expected returns) has impacted the ability to deliver the level of real returns that Stable Growth would target over the longer term of Inflation plus 4%.

Below is the portfolio performance for periods ending 31 December 2019

| Portfolio             | 1 year |              | 2 Years |              | 5 Years |              | Since inception |              |
|-----------------------|--------|--------------|---------|--------------|---------|--------------|-----------------|--------------|
|                       | Return | Inflation+4% | Return  | Inflation+4% | Return  | Inflation+4% | Return          | Inflation+4% |
| Liberty Stable Growth | 9.40%  | 9.04%        | 4.68%   | 9.31%        | 5.35%   | 10.02%       | 7.14%           | 10.14%       |

The Liberty Institutional Money Market Fund is used to invest Members' monies from the date their claim form is received until the date of payment.

## FUND FINANCES

The auditors of the Fund, PricewaterhouseCoopers, certified that they have audited the annual financial statements of the Fund as at 31 December 2018 and have expressed an unqualified audit opinion on the financial statements. There were no significant material findings. The 2019 annual financial statements are in progress.

## WEBSITE

The items listed below are available on the Liberty website:

<https://www.liberty.co.za/support/your-fund-and-trustees/Pages/default.aspx>

- Fund Rules

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

## MEMBER COSTS

The monthly administration related charge to members increased during the year from R9.90 to R10.00. This is made up of an Administration charge of R9.00 and a Governance Levy of R1. The monthly Administration charge of R9.00 is waived for Members whose unclaimed benefit is less than R800.00.

Assets invested in Stable Growth are charged an investment fee of 0.6% per annum and Money Market 0.3% per annum (proportionally deducted monthly).

## FUND MEMBERSHIP

Below is a synopsis of the membership movements during the financial year:

| Pension Preservation Fund |              |                    | Provident Preservation Fund |              |                    |
|---------------------------|--------------|--------------------|-----------------------------|--------------|--------------------|
|                           | Membership   | Assets in R        |                             | Membership   | Assets in R        |
| Opening Balance           | 15939        | 278,885,478        | Opening Balance             | 81308        | 625,255,760        |
| Adjustments               | -277         | 5,202,820          | Adjustments                 | -391         | 11,148,281         |
| Transfers In              | 925          | 8,019,051          | Transfers In                | 938          | 5,838,157          |
| Claim Payments            | -551         | -14,774,446        | Claim Payments              | -1108        | - 22,808,483       |
| <b>*Closing Balance</b>   | <b>16086</b> | <b>277,332,904</b> | <b>*Closing Balance</b>     | <b>80747</b> | <b>646,433,716</b> |

\*This figure is inclusive of investment growth and less administrative expenses.

Tracing is undertaken by ICTS for both Funds. The results of tracing efforts in 2019 (?) are detailed below:

| Pension Preservation Fund   |              |            | Provident Preservation Fund |              |            |
|-----------------------------|--------------|------------|-----------------------------|--------------|------------|
| Overall success rate        | Total claims | Percentage | Overall success rate        | Total claims | Percentage |
| Successful traces           | 12572        | 56%        | Successful traces           | 50523        | 51%        |
| Tracing in progress         | 3302         | 14%        | Tracing in progress         | 18347        | 18%        |
| Untraceable                 | 6262         | 28%        | Untraceable                 | 29765        | 30%        |
| Query sent to the Fund      | 212          | 0.95%      | Query sent to the Fund      | 173          | 0.18%      |
| Duplicates                  | -1087        | -5%        | Duplicates                  | -7017        | -7%        |
| <b>Total files received</b> | <b>22348</b> |            | <b>Total files received</b> | <b>98808</b> |            |

Liberty Corporate will be embarking on a data enhancement exercise to augment existing member contact details in an endeavour to amplify tracing efforts. In addition, this data will be used to run a special sms tracing campaign that will be extended to all members in the fund regardless of their unclaimed benefit amount.

## GOVERNANCE

Retirement fund rules must be registered under the Pension Funds Act and approved under the Income Tax Act. You can request to view the Funds' rules by appointment at the Funds' registered address at: Liberty Centre, 1 Ameshoff Street, Braamfontein, Johannesburg, 2001 or alternatively on the website link:

<https://www.liberty.co.za/support/your-fund-and-trustees/Pages/liberty-corporate-unclaimed/rules.aspx>

The Liberty 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 days from receipt of the completed claim documents.

## DOCUMENTS REQUIRED AT CLAIM STAGE

Claim forms are available on the following link:

<https://www.liberty.co.za/support/your-fund-and-trustees/Pages/liberty-corporate-unclaimed/unclaimed-benefit-forms.aspx>

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

### Withdrawal/Retirement Claim

- Original certified copy of member's ID document/ passport.
- Original certified 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

- Original certified copy of member's ID document/ passport.
- If the value of the estate exceeds R250 000, original certified copy of the letter of executorship.
- Original certified copy of the Executor of the Estate ID document.
- If the value of the estate is less than R250 000, original certified copy of the letter of authority.
- Original certified copy of the Beneficiary's ID documents.
- Original certified copy of the Estate Late bank statement or Beneficiary's bank statement.
- Proof of previous employment or fund membership (Member benefit statement/Salary Slip).

## 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: [contact.lcb@liberty.co.za](mailto:contact.lcb@liberty.co.za)

w: [www.liberty.co.za](http://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 their Liberty accredited financial adviser or broker, alternatively the Liberty Corporate Contact Centre:

### **Liberty Corporate General Contact Centre**

t: 011 558 2999

f: 011 694 5309

e: [c.contact@liberty.co.za](mailto:c.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