



LIBERTY

ANNUAL TRUSTEE REPORT 2020

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

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

2020 ANNUAL TRUSTEE REPORT

FOR THE PERIOD: 01 JANUARY 2020 - 31 DECEMBER 2020

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 death. 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 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 2020:

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 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 protection (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 gross investment returns for periods ending 31 December 2020, compared to inflation:

	1 Year	3 Year	5 Year
Liberty Stable Growth Fund	5.52%	4.99%	4.56%
Liberty Aggressive Balanced Tracker Fund	12.10%	7.56%	7.68%
Inflation (Consumer Price Index)	3.17%	3.97%	4.62%

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

During 2020, market conditions became extremely difficult because of the economic uncertainty from lockdowns and a global slowdown due to the onset of the COVID-19 pandemic. Market conditions have however recovered during the second half of 2020 and into 2021, and returns have started to improve over almost 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. Interest rates have reduced globally, and South Africa is no exception, resulting in a drop in returns from money market investments. Inflation remains low because of a reduction in global economic activity.

FUND FINANCES

The auditors of the Fund, PricewaterhouseCoopers, have issued an unqualified audit for 2019 and are currently auditing the annual financial statements of the Funds for 2020.

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 R800.00.

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 2020:

	Pension Preservation Fund	
	Membership	Assets
Opening Balance	16 109	R 277 591 620
Transfers In	1 983	20 790 042
Claim Payments	(1 188)	(20 931 283)
Net Investment Income		7 475 230
Closing Balance	16,904	R 284 931 610

	Provident Preservation Fund	
	Membership	Assets
Opening Balance	80 868	R 646 367 584
Transfers In	13 255	95 227 051
Claim Payments	(4 759)	(54 500 582)
Net Investment Income		26 839 280
Closing Balance	89 364	R 713 933 333

TRACING

Member tracing was undertaken by ICTS and Transaction Capital Recoveries respectively in 2020.

Tracing effort as at the end of 2020

Pension Preservation Fund			Provident Preservation Fund		
Overall Success Rate	Total Claims	Percentage	Overall Success Rate	Total Claims	Percentage
Successful Traces	2 787	21.12%	Successful Traces	8 930	14.48%
Tracing in Progress	7 744	58.68%	Tracing in Progress	39 628	64.24%
Untraceable	1 765	13.37%	Untraceable	8 534	13.83%
*Query sent to the Fund	901	6.83%	*Query sent to the Fund	4 595	7.45%
Total Files Received	13 197	100.00%	Total Files Received	61 687	100.00%

*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 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 the 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

- 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: 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