

AN NUAL SURV EY OF RETI RE MENT BENE FITS IN SA 06 CONTENTS

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INTRODUCTION

This comprehensive survey provides an essential tool for the management of retirement funds and constitutes a benchmark for all stakeholders to measure their funds against the latest benefit trends.



Introduction

Sanlam Employee Benefits takes great pleasure in publishing the findings of the latest annual survey on retirement funds in South Africa. The survey will now be conducted on an annual basis given the pace at which the industry is changing. This comprehensive survey provides an essential tool for the management of retirement funds and constitutes a benchmark for all stakeholders to measure their funds against the latest benefit trends.

I extend my sincere thanks to the principal officers and intermediaries for taking the time to participate in the survey. Your contributions have made the compilation of this benchmark publication possible.

I would also like to thank my colleagues, Danie van Zyl (HIV/Aids), Wouter Thom (Risk Benefits) and Rob Baker (Investments), for assisting with reviewing the questionnaire, studying the data and formulating the findings of the results.

Deon Booysen

Executive Head: Sanlam Employee Benefits (Client Solutions)

Defined contribution funds

The survey sample

The 2006 Sanlam Study was conducted amongst principal officers of retirement funds. Respondents were selected at random to represent small (<100 members), medium (100-500 members), large (501-5 000 members) and very large funds (5 001+ members) in South Africa. These included pension and provident funds structured on a defined contribution basis, as well as umbrella funds.

The survey was conducted by the independent market research agency BDRC, by means of face-to-face interviews, and a total of 188 funds participated.

The research was conducted under the SAMRA (South African Marketing Research Association) Code of Conduct and all information gathered was held in strict confidence. All respondents remained anonymous and only the aggregated results of the survey have been reported on.

Fund governance

Just less than half of the defined contribution (DC) funds appointed a board consisting of six trustees or less – this is down from 2004 when two-thirds of the funds indicated that they appointed/elected six trustees or less.

87% of funds do not remunerate trustees. 1% of funds pay a rate per hour and 4% a rand amount per meeting.

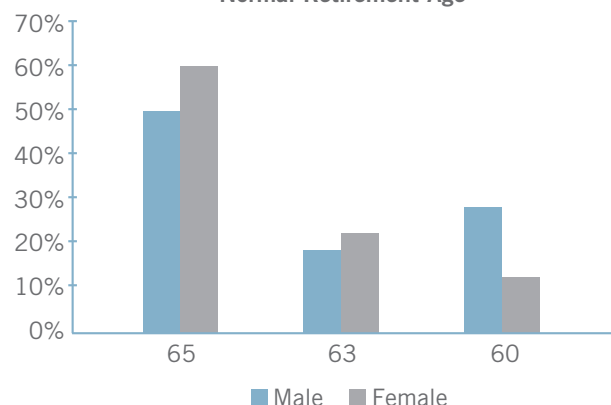
44% of funds have a policy on accepting gifts, up from 7% in the 2004 survey. Of these, 54% do not allow trustees to accept gifts, 10% may accept gifts of any amount but must make full disclosure. 13% may only accept gifts below R250 and 7% may only accept gifts below R500, provided full disclosure is made.

The eligibility requirement for membership in 97% of funds is permanent service, broadly at the same level as in 2004. Some 10% of funds have a minimum age, and 23% have a maximum age for membership, down from 25% and 44% respectively in the 2004 survey.

Respondents were selected at random to represent small (<100 members), medium (100-500 members), large (501-5 000 members) and very large funds (5 001+ members) in South Africa.

The eligibility requirement for membership in 97% of funds is permanent service, broadly at the same level as in 2004.

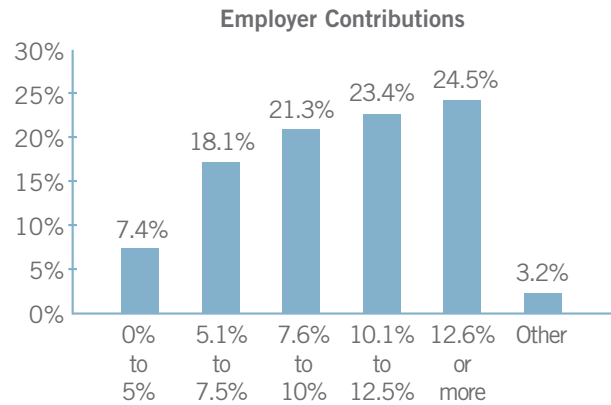
Normal Retirement Age



The average employer contribution is 9.95%. This is down from 10.17% in the 2004 survey.

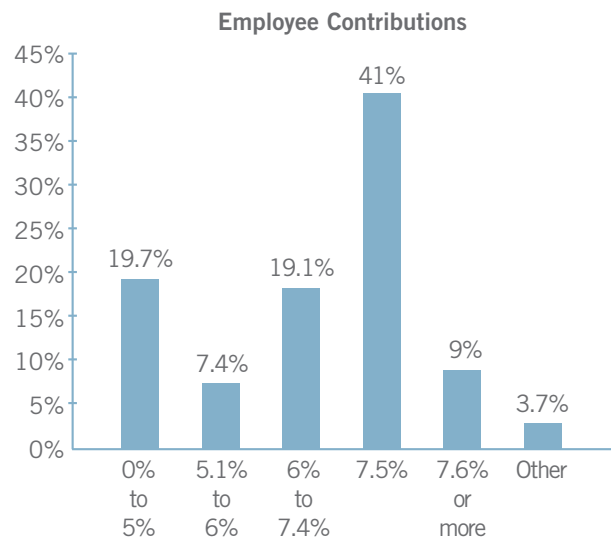
Contributions

57% indicated that the employer's remuneration package was based on a total cost to company, up from 44% in the 2004 survey. 28% of the balance are contemplating such a structure.



The average employer contribution is 9.95%. This is down from 10.17% in the 2004 survey.

The average employee contribution is 5.95%.

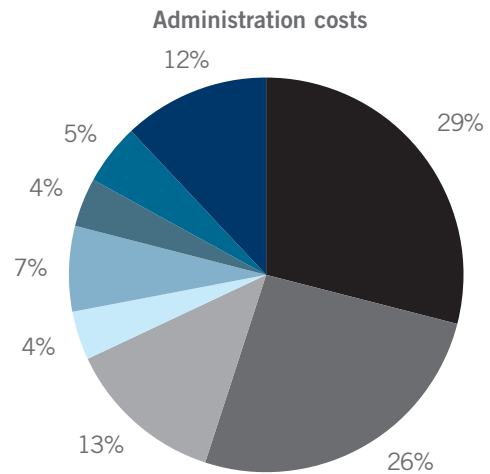


The average employee contribution is 5.95%.

Cost of administration

57% of funds stated that their administrator billed separately for each item. 21% pay administration fees including all expenses, and 14% pay additional expenses not specified in the administration agreement. 51% of funds do not operate a contingency reserve account. Of those that do, 32% fund the reserve by way of a deduction from employer contributions while 16% express their contribution to the reserve account as a percentage of the administration fee.

The total cost of administration is between 0.5% and 1% of payroll for 26% of funds. The average cost is 1.2%, down from 1.4% in 2004.



- 0.01% to 0.5%
- 0.51% to 1%
- 1.01% to 1.5%
- 1.51% to 2%
- 2.01% to 3%
- 3.01% to 4%
- 4.01% or more
- Other

The total cost of administration is between 0.5% and 1% of payroll for 26% of funds. The average cost is 1.2%, down from 1.4% in 2004.

Retirement benefits

On retirement, 71% of funds allow members to select any annuity product of their choice (down from 92% in 2004). Only 10% still provide the annuity from the fund. 3% of funds lay down conditions for living annuities.

In 2004, 97% of funds allowed members to select an annuity from any insurer. This has now decreased to 86% of funds, with 8% of funds specifying which insurer/s the annuity may be purchased from. Only 6% still effect the annuity in the name of the fund.

33% of funds do not consider it necessary to deal with the effect of reducing inflation on pensions (down from 46% in 2004). 46% of funds are communicating this to their members (up from 35% in 2004), and 25% are considering steps to improve retirement benefits (up from 13% in 2004).

Withdrawal benefits

On withdrawal, 18% of funds allow members the option of a deferred pension. 94% allow the member to take a cash benefit or transfer to another fund. 50% of funds claim that they provide members with the information recommended in PF86. 37% of funds arrange for an adviser to counsel and advise the member in terms of a written strategy.

W I
T H D
R A W A L
B E N E F I T S

The average cost for the provision of risk benefits under the fund is approximately 1.9% of salaries for death benefits, and 1.4% of salaries for disability benefits.



Wouter Thom

The vast majority of funds provide lump sum death benefits.

The current survey shows that 48% of funds include the member's equitable share in the lump sum death benefit.

Risk benefits

The average cost for the provision of risk benefits under the fund is approximately 1.9% of salaries for death benefits, and 1.4% of salaries for disability benefits. For risk benefits provided under a separate scheme, the average cost is approximately 1.8% of salaries for death benefits, and 1.1% of salaries for disability benefits.

15% of funds offer flexible death benefits. This is an increase from the 9% in 2002. Where flexible death benefits are available, the average contribution rate for core benefits is approximately 2.1% of salaries. The average contribution rate for additional optional benefits is approximately 2.5%.

More than 40% of funds cap the cost of risk benefits. Where capping is applied, death benefits are capped on average at 2.7% of salary, while disability benefits are capped on average at 2.3% of salary.

Death benefits

The vast majority of funds provide lump sum death benefits. 20% provide a spouse's pension, and 17% provide a children's pension.

The majority of funds that provide a spouse's pension also provide a lump sum death benefit of 2 times salary.

On average, funds without a spouse's pension provide a lump sum of 3,2 times salary. The largest group (32%) provides a multiple of 3 times salary. This is very similar to 2004.

31% of participants also provide death benefits under a separate scheme. The largest group (31%) also provides 3 times salary under separate schemes, with the average at 3,2 times salary. This is also similar to 2004. The cost of separate schemes is mostly deducted from the employer contribution (31%) or is funded through an additional contribution by the employer (35%). In 22% of cases, the cost is deducted from the member's contributions, and in 12% of cases members make additional payments.

The current survey shows that 48% of funds include the member's equitable share in the lump sum death benefit. This is an increase from the 32% of funds that did so in 2004, and 23% in 2002. Therefore there is a clear trend to move towards the inclusion of the member's equitable share.

In 13% of funds, members can choose the level of death cover. Where choice of death benefits is available, the core death benefit is usually either 1 or 2 times salary, with the average at approximately 1,8 times salary. The maximum additional flexible benefit ranges from 1 to 7 times salary.

The majority of disability income benefits are expressed as 75% of salary.



Danie van Zyl

59% of respondents indicated that their employer implemented an HIV/Aids management programme for its employees.

In the majority of funds with choice, the level of cover can be increased on marriage or the birth of a child. In 12% of funds it can also be changed on divorce, and in 20% on the fund anniversary.

Another 20% allow an increase in cover on providing evidence of good health. Surprisingly, in 36% of funds the cover can be increased unconditionally.

Disability benefits

About 50% of participants provide a lump sum benefit at disability, with the average multiple provided being 2,7 times salary. 38% provide a permanent disability income benefit only, 12% provide a lump sum only, and 6% provide a lump sum and a permanent income benefit.

The majority of disability income benefits are expressed as 75% of salary. Most participants who provide disability income benefits also make provision for increases in these benefits. 25% provide no increases. Of those that provide increases, 17% of funds provide a fixed percentage according to the rules, with the most popular increase at 5%. 29% of funds provide an increase linked to the CPI, mostly 100%.

Other benefits under separate schemes

5% of participants provide trauma (dread disease) benefits and 51% provide funeral benefits under a separate scheme. Spouse's cover is also provided in some cases. The most popular trauma benefit is a multiple of 1 or 2 times salary. The most popular funeral benefit is R10 000 or R5 000.

HIV/Aids strategy

The most visible impact of the HIV/Aids epidemic remains in the group life and disability costs. As death and disability costs increased during the last few years, insurers were left with little choice but to increase the cost of their group life and disability premiums. This has had a negative effect on the amount of contributions used for retirement saving.

Since our previous Biennial Survey, there has been a marked change in our respondents' actions as well as their attitudes towards managing the disease.

Aids management programmes

59% of respondents indicated that their employer implemented an HIV/Aids management programme for its employees. This is significantly higher than the previous survey result of 24%.

A further 18% of respondents indicated that their employer considered implementing such a management programme.

Attitudes towards HIV/Aids management

As with our previous Biennial Survey, our respondents were asked to indicate their attitude towards the active management of HIV/Aids in the workplace.

The respondents were asked if they agreed with the statements below:

	2004 Survey (% agreed)	2006 Survey (% agreed)
An employer can positively influence the HIV/Aids experience of its staff through the implementation of a holistic HIV/Aids management programme.	57%	81%
The cost of treatment will be less than the benefits of increased productivity achieved by the programme.	40%	50%
Employers will be compelled to introduce appropriate measures to manage the incidence of HIV/Aids among its staff within the next two years.	31%	53%
Providing a holistic HIV/Aids management programme will reduce the cost of future group life and disability cover.	56%	67%

Two-thirds also believe that a holistic HIV/Aids management programme will reduce the cost of future group life and disability cover.

There has been a significant improvement in our respondents' attitudes towards the management of HIV/Aids. The majority of our respondents now believe that employer can influence the HIV experience of its staff.

Two-thirds also believe that a holistic HIV/Aids management programme will reduce the cost of future group life and disability cover.

Cost of group life and disability cover

In our previous survey more than 60% of our respondents believed that the cost of risk benefits provided by the fund increased in the previous two years due to HIV/Aids. This figure has now dropped to only 26%. In the case of those who believed that their group risk rates have increased, the estimated increase was below 10%.

Fewer respondents also believe that the cost of risk benefits will increase during the next two years due to HIV/Aids. In our 2004 survey, 72% of respondents believed that their group risk rates would increase. In our latest survey, only 46% of respondents felt the same way. In the case of those who believe that their rates will increase, the expected quantum of increases is also significantly lower.

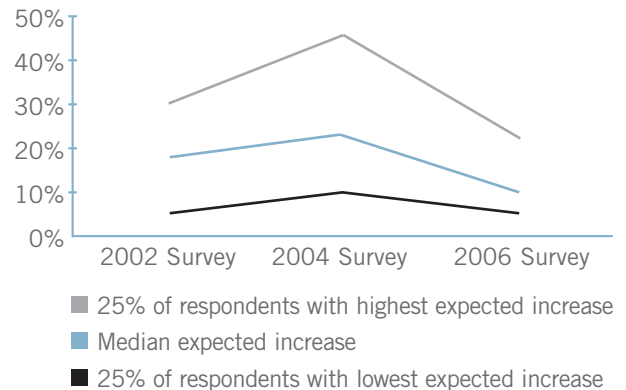
This can be seen in the graph. In the case of those who believed that an increase in group risk rates due to

INVESTMENTS

44% of the DC funds surveyed offer member-directed investment choice, up from 28% in 2004

HIV/Aids could be expected, the median expected increase was 17.5% in 2002. It rose to 23% in 2004 and fell again to 10.3% in 2006.

Respondents' expected increase in the cost of group risk benefits

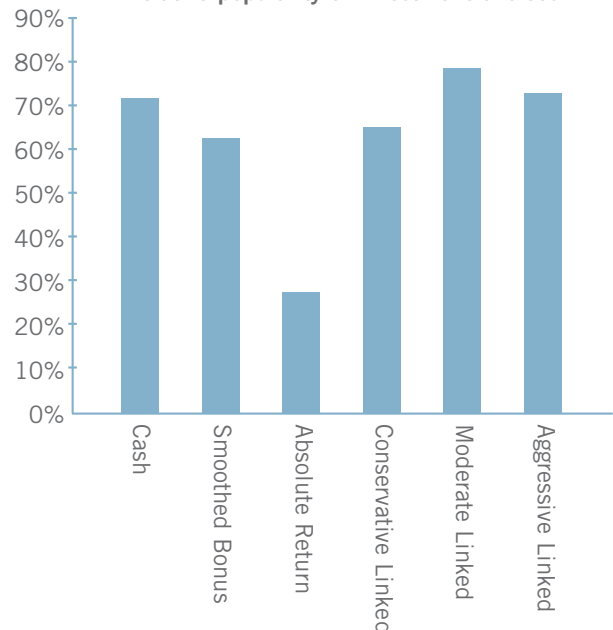


Investments

44% of the DC funds surveyed offer member-directed investment choice, up from 28% in 2004 (and 30% in 2002). Of the funds that do not provide choice, 11% are planning on implementing it and 18% are considering implementing choice (20% are uncertain).

The risk profile that is offered the most is the Moderate Linked profile (78%, down from 91% in 2004). The Aggressive Linked profile has moved from third to second place, and is offered by 75% of retirement funds. Smoothed Bonus dropped from second place in 2002 to fourth place in 2004 and has now slipped back to fifth place in 2006 (64%). There is a 9% increase in the number of member-choice funds offering an Absolute Return risk profile, and an 11% decrease in the number of member-choice funds offering a Cash risk profile.

Relative popularity of investment choices



The practice of charging all members the same administration fee, whether they exercise investment choice or not, is still widespread.



Rob Baker

Multi-managers are more popular than single managers within the Conservative and Aggressive Linked risk profiles (but not the Moderate Linked risk profile). Unit trusts and Individual Broker mandates are attracting minimal business. There's been a huge increase in Life Stage mandates (from 5% to 39% of member-choice funds).

The practice of charging all members the same administration fee, whether they exercise investment choice or not, is still widespread – 82% of funds still charge a flat fee (down from 86% in 2004).

85% of funds regard products that provide stable investment returns as important. Cash, Smoothed Bonus and Absolute Return funds are regarded as being able to provide more stable investment returns than Structured Products.

70% of funds regard products that provide guarantees to fund members as important. Cash and Smoothed Bonus are regarded as providing the best guarantees for benefit payments.

Feedback on investments

87% of funds provide investment feedback to members (up from 69% in 2004). The frequency of providing members with investment feedback has increased as follows:

Investment feedback frequency	2004	2006
Daily	1%	5%
Weekly	-	1%
Monthly	14%	14%
Quarterly	22%	31%
Half-yearly	9%	8%
Annually	54%	40%
Other	-	3%

The most popular form of feedback on investment performance remains written notification. 41% of funds don't provide feedback on investment returns versus the benchmark return.

Investment policy statements

There has been an increase in the number of funds that use Investment Policy Statements, from 44% in 2004 to 67% in 2006. 64% of funds review the Investment Policy Statement on an annual basis.

Benchmarks and returns

43% of funds assess investment performance against a CPI+% benchmark.

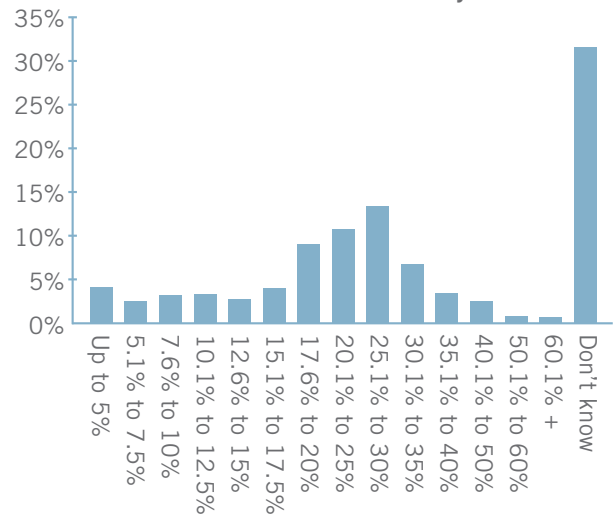
43% of funds assess investment performance against a CPI+% benchmark.

9% of funds have a policy to invest a proportion of assets in Socially Responsible Investment portfolios.

32% of respondents didn't know what their fund's gross investment return was in 2005. Most of the respondents who knew their fund's investments returns reported them to be between 17.5% and 35%, with the most common range being between 25% and 30%. This compares with a median return on Global Balanced portfolios of about 31% in 2005.

There were nine funds that reported investment returns of less than 5% in 2005. One fortunate fund reported investment returns in excess of 60% in 2005.

Investment returns for calendar year 2005



Socially Responsible Investments

9% of funds have a policy to invest a proportion of assets in Socially Responsible Investment portfolios.

Member communication

95% of funds provide an annual benefit statement, 44% an annual trustee report, 35% a membership certificate and 64% a rule booklet. The trend towards increased member communication identified in the 2004 survey appears to have continued.

The topics most regularly communicated to members are the benefit structure (86%), investment performance (81%), how the fund works (77%) and the annual benefit statement (75%).

Members' retirement fund queries are addressed by the principal officer (53%), the human resources department (52%), the administrator (51%), the trustees (42%) and the retirement fund consultant (27%). 49% of funds have a formalised strategy for rendering financial advice to members, up from 32% in 2004. Of those, 74% indicated that a worksite adviser would advise the member, whilst 37% indicated that members consulted their own adviser/broker.

The majority of funds with a formalised strategy claim they provide financial advice on a one-to-one basis in the event

55% of funds use an Intranet/Internet facility to provide members with access to information.

of withdrawal, disablement, retirement or death. About 50% of funds claim they provide a regular annual discussion with groups of employees. Funds are of the opinion that 88% of senior staff understand more than half of the information provided, whilst only 50% of the rest of staff understand more than half of the information provided.

55% of funds use an Intranet/Internet facility to provide members with access to information – up significantly from 29% in 2004. 52% of funds obtain access directly and 29% via the HR office.

The Internet is mostly used to provide the fund rules (70%), investment portfolio information (61%), investment returns (59%) and the member booklet (59%). Personal information that is typically available includes a monthly updated member benefit statement (59%), annual benefit statement (58%) and personal particulars (54%).

45% of funds allow members to update personal information online, 26% allow investment switches and 25% use the Internet to update member data on a monthly basis.

19% of funds provide home loans to members directly, 46% provide housing sureties whilst 39% provide neither.

Topical issues

A qualitative research phase was implemented as a guide for the development of the questionnaire and to ensure that the quantitative survey remains relevant, current and forward looking.

The key objectives for the research study were:

- to explore the developments and recent trends shaping the South African pension fund industry;
- to identify key issues that are relevant to market shareholders at this point in time; and
- to investigate industry matters that are likely to be 'hot topics' in the next two years.

In terms of the methodology used, one-hour face-to-face interviews were conducted among 10 financial intermediaries (consulting to retirement funds) and 10 principal officers (with retirement funds). The interviews were split evenly between Johannesburg and Cape Town and took place between 28 September and 17 October 2005.

As a result of the quantitative results, the survey was expanded to include a number of new questions.

Management of costs

30% of funds indicated that good general housekeeping was employed to reduce costs, 22% by negotiating costs with the consultant and 20% by regular rebroking.

31% of funds rebroke their administration on an annual basis.

55% of funds rebroke their risk benefits on an annual basis.

59% of funds have undertaken a formal audit for surplus apportionment purposes.

KEY INDICATORS

Rebroking administration

31% of funds rebroke their administration on an annual basis, 14% every three years, 10% every five years, 7% every two years. 31% of funds indicated that they did not rebroke based on elapsed time.

49% of administration business was rebroke to improve costs, 42% due to dissatisfaction with the supplier, 30% to secure improved service and 27% to improve benefits to members.

Rebroking risk

55% of funds rebroke their risk benefits on an annual basis, 11% every two years and 5% every three years. 21% of funds indicated that they did not rebroke based on elapsed time.

64% of risk business was rebroke to improve costs, 48% to improve benefits to members, 21% due to dissatisfaction with the supplier and 15% to improve the standard of service.

Rebroking investments

45% of funds rebroke their investment business annually, 7% every two years and 9% every three years. 27% of funds indicated that they did not rebroke based on elapsed time.

40% of the investment business was rebroke to obtain a better ROI, 38% to improve benefits to members, 37% to improve costs and 26% due to dissatisfaction with the supplier.

Current legal impacts

59% of funds have undertaken a formal audit for surplus apportionment purposes, whilst 10% are in the process of doing so.

26% of trustees were not aware of any impact on their fund due to the proposed review of the Pension Funds Act. 12% indicated the impact of compulsory preservation whilst 9% expected greater demands to be placed on trustees.

Key indicators

	2006		2004	
Employer contributions		10.0		10.2
Death benefit premiums	(1.9)		(2.5)	
Disability benefit premiums	(1.4)		(1.5)	
Administration and operating costs	(1.2)	(4.5)	(1.4)	(5.4)
Retirement provision		5.5		4.8
Employee contributions		6.0		6.3
Total provision for retirement		11.5		11.1

26% of funds have a policy on accepting gifts, up from 8% in the 2004 survey.

Umbrella funds

Fund governance

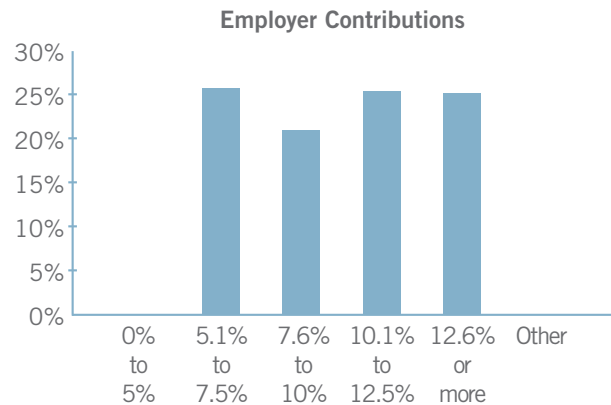
More than 58% of funds appointed a board consisting of more than six trustees. 68% of funds do not remunerate trustees while 10% pay a rand amount per meeting.

26% of funds have a policy on accepting gifts, up from 8% in the 2004 survey. Of these, 60% do not allow trustees to accept gifts, 20% may accept gifts of any amount but must make full disclosure. 10% may only accept gifts below R250, provided full disclosure is made.

A practical arrangement applied by the funds is not to specify the normal retirement age, but to allow it to be determined in terms of the employment contract with the employer. Of the funds surveyed, the normal retirement age is 65 for most males and females (47%).

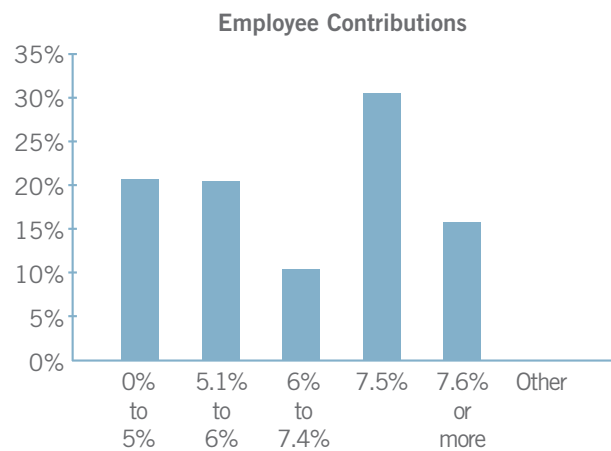
Contributions

37% of funds claim that the participating employer pays a fixed contribution. 53% of the employers pay a fixed contribution plus the cost of administration and the cost of risk benefits.



On average, the employer contribution is 10.2%. This is up from 6.7% in the 2004 survey.

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The average employee contribution is 5.8%, up from 5.1% in 2004.

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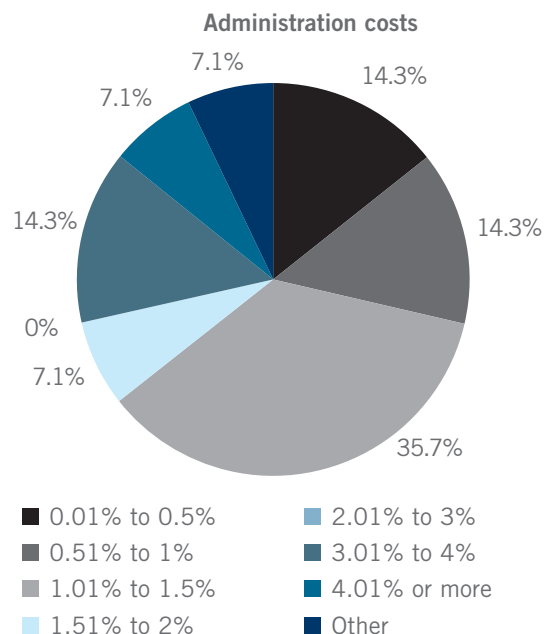
W I T H I N R A W A L B E N E F I T S

The average cost of administration, including commissions and other costs, is 1.63%.

Cost of administration

68% of funds stated that their administrator billed separately for each item. 21% pay administration fees including all expenses. 74% of funds do not operate a contingency reserve account. Of the four funds that do, one funds the reserve by way of a deduction from employer contributions while two express their contribution to the reserve account as a percentage of the administration fee.

Most administrators levy their administration fees as a percentage of salaries. 36% charge between 1% and 1.5% of payroll.



The average cost of administration, including commissions and other costs, is 1.63%.

Retirement benefits

84% of the umbrella funds surveyed allow a retiring member to purchase any annuity product of his/her choice (down from 92% in 2004). None of the umbrella funds specify the insurer from which the annuity should be purchased. 16% allow members to purchase an annuity product identified in the rules, but without obligation (down from 23% in 2004). Only 5% purchase the pensions in the name of the fund. 42% (up from 23%) indicated that they were communicating the impact of the decline in the inflation rate and long-term interest rates on pensions. 32% of funds do not consider it necessary to do anything, and 26% are considering steps to improve retirement benefits.

Withdrawal benefits

On withdrawal, 26% of funds allow members the option of a deferred pension. All of the umbrella funds in the survey allow the member to take a cash benefit or

More umbrella funds (26%) provide choice in terms of the level of life cover than DC funds (13%).

63% of funds offer member-directed investment choice, down from 69% in 2004.

transfer to another fund. 47% of funds claim that they provide members with the information recommended in PF86. 32% of funds arrange for an adviser to counsel and advise the member in terms of a written strategy.

Risk benefits

Most of the risk benefits provided by umbrella funds are very similar to those provided by the average DC fund. The only significant difference is that more umbrella funds (26%) provide choice in terms of the level of life cover than DC funds (13%). The average contribution rates for death and disability are 1.98% and 1.57% respectively.

HIV/Aids strategy

The HIV/Aids strategies adopted by umbrella funds and their participating employers are broadly similar to those of other pension and provident funds.

However, there are some differences.

A much higher portion of respondents indicated that the participating employer has implemented an Aids management programme (68%, compared to 58% for other pension and provident fund respondents).

There are also some differences in the expected impact of the disease.

A larger portion (31%) of the respondents believe that the disease increased the cost of their group life and disability benefits during the last two years.

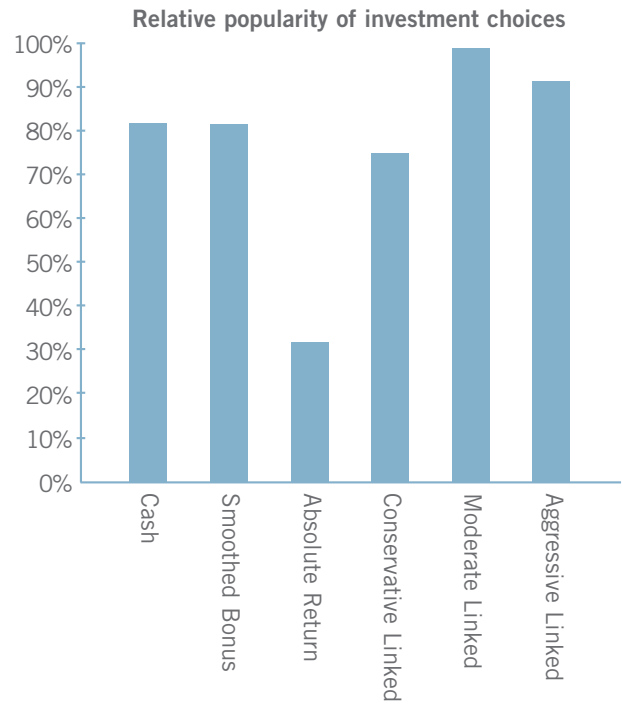
Respondents also indicated that they expected a much higher increase in the cost of their risk benefits during the next two years, with most expecting the increase to be between 10% and 19%.

Investments

63% of funds offer member-directed investment choice, down from 69% in 2004. Of the funds that do not provide choice, 43% are considering implementing choice and the remainder have indicated that they would not be considering implementing choice (in 2004, 50% were uncertain about whether they would implement member choice or not). Most funds (83%, up from 67% in 2004) do not differentiate and require all members to pay the same administration fee. Although 26% of funds credit investment returns to members' accounts on an annual basis only, 37% do so monthly and 21% credit returns daily.

Every umbrella fund surveyed offered a Moderate Linked investment option, with Aggressive Linked being the second most commonly offered option.

42% of funds indicated that between 90% and 100% of their members relied on the Trustee Choice or Default portfolio.



The most popular investments under the Moderate Linked profile are multi-managers (92%, up from 78% in 2004), with single manager usage having declined from 56% in 2004 to 50% in 2006. The use of structured products increased from 33% in 2004 to 50%.

There wasn't consensus on which is the most important component of the trustee or default portfolio, but the Moderate Linked portfolios got the highest number of votes.

42% of funds indicated that between 90% and 100% of their members relied on the Trustee Choice or Default portfolio.

89% of funds regard products that provide stable investment returns as important (slightly higher than the average of 85% for DC funds). Cash and Smoothed Bonus are seen as the best performers in this regard.

73% of funds regard products that provide investment guarantees for benefit payments as important. Cash is slightly better rated than Smoothed Bonus in terms of its ability to provide guarantees for benefit payment.

Feedback on investments

90% of funds provide investment feedback to members. The frequency of providing members with investment feedback has increased as follows:

Investment feedback frequency	Umbrella	DC total
Daily	6%	5%
Weekly	6%	1%
Monthly	12%	13%
Quarterly	18%	31%
Half-yearly	18%	8%
Annually	35%	40%
Other	6%	3%

21% of respondents didn't know what their fund's gross investment return was in 2005.

The most popular form of feedback on investment performance is written notification (42% in 2004, now 71%), while 41% of funds place the information on the Internet/Intranet. Only 18% of funds don't provide feedback on investment returns versus the benchmark return (compared to 41% not providing this information amongst DC funds as a whole).

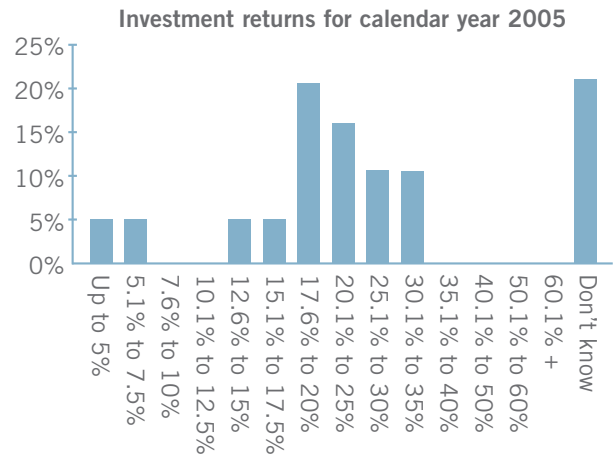
Investment Policy Statements

63% of funds use Investment Policy Statements (compared to 67% for DC funds as a whole). 75% of funds review the Investment Policy Statement on an annual basis (compared to 64% of DC funds as a whole).

Benchmarks and returns

21% of respondents didn't know what their fund's gross investment return was in 2005 (compared to 32% for DC funds as a whole). Most of the respondents who knew their fund's investments returns reported them to be between 17.5% and 35%, with the most common range being between 17.5% and 20%. This compares with a median return on Global Balanced portfolios of about 31% in 2005.

There was one fund that reported an investment return of less than 5% in 2005.



16% of funds have a policy to invest a proportion of assets in Socially Responsible Investment portfolios.

Socially Responsible Investments

16% of funds have a policy to invest a proportion of assets in Socially Responsible Investment portfolios (compared to 9% for DC funds as a whole).

Member communication

95% of funds provide an annual benefit statement, 60% an annual trustee report, 47% a membership certificate and 47% a rule booklet.

The topics most regularly communicated to members are the benefit structure 100%, investment performance (84%), the annual benefit statement (84%) and how the fund works (74%).

53% of funds use an Intranet/Internet facility to provide members with access to information.

Members' retirement fund queries are addressed by the retirement fund consultant (58%), the human resources department (47%), the administrator (47%), the principal officer (26%) and the trustees (21%). 47% of funds have a formalised strategy for rendering financial advice to members, up from 32% in 2004. Of those, 67% indicated that a worksite adviser would advise the member, whilst 33% indicated that members consulted their own adviser/broker.

The majority of funds with a formalised strategy claim to provide financial advice on a one-to-one basis in the event of withdrawal, disablement, retirement or death. About 55% of funds claim they provide a regular annual discussion with groups of employees.

53% of funds use an Intranet/Internet facility to provide members with access to information – up significantly from 29% in 2004. 48% obtain access directly and 46% via the HR office.

The Internet is mostly used to provide investment portfolio information (80%), the fund rules (75%), investment returns (70%) and the member booklet (70%). Personal information that is typically available includes a monthly updated member benefit statement (80%), annual benefit statement (90%) and personal particulars (70%).

40% of funds allow members to update personal information online, 20% allow investment switches and 40% use the Internet to update member data on a monthly basis.

26% of funds provide home loans to members directly, 46% provide housing sureties whilst 42% provide neither.

Key indicators

	2006		2004	
Employer contributions		10.2		6.7
Death benefit premiums	(1.98)		(1.4)	
Disability benefit premiums	(1.57)		(1.2)	
Administration and operating costs	(1.63)	(5.18)	(1.4)	(4)
Retirement provision		5.02		2.7
Employee contributions		5.8		5.1
Total provision for retirement		10.82		7.8

KEY INDI CATORS