



# SISONKE

March 2021

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## Note from the Principal Officer

### Welcome to the first edition of the Sisonke Newsletter for 2021.

I would like to inform you that this will be my last message writing to you as the Principal Officer. Recent legislation changes requires that the Beneficiary Fund appoint an independent Principal Officer. It is with great pleasure that I introduce Lavinia Khangala as our new Principal Officer, with effect from 1 March 2021. Lavinia is an experienced retirement fund specialist with more than 20 years' experience in the retirement fund industry and she has also served as an Independent Trustee of the Standard Umbrella Beneficiary Fund. I will remain part of the Beneficiary Care team and continue to add value to our Fund, our clients and the team.

As COVID-19 continues to be a part of our lives, Standard Trust Limited (STL) implemented our Business Continuity Management plan which allows for key staff members to work from the office. This process ensures that our beneficiaries and guardians continue to receive payments on time and are not negatively impacted by lockdown regulations. We have successfully onboarded new matters during this period and paid the monthly income to new beneficiaries and guardians as intended.

In 2021, Beneficiary Care will continue to submit the quarterly Unclaimed Benefits Report to the FSCA. This report is submitted to the Regulatory Authority to ensure that beneficiaries and guardians can trace benefits that should have been paid upon termination but for various reasons, have not been paid. If you are aware of any beneficiaries who have become majors and have not been paid, kindly advise them to contact us or visit the FSCA website on [www.fsc.co.za](http://www.fsc.co.za) and check on benefits they might be entitled to.

As the 2020 matric results were released towards the end of February, we encourage our matriculants to use their benefits for the purpose of studying further.

This edition features important steps to take in the event of death of a guardian or beneficiary as well as an economic update which affects the investment performance of your funds. We encourage you to take a long-term view of the investment market. Although these are uncertain economic times, you can be assured that Beneficiary Care continues to seek improved investment returns.

Please continue to practice social distancing, wear your masks and wash your hands as part of the COVID-19 safety protocols.

We wish you a safe and beneficial year!

**Moabi Litseho**

Principal Officer Standard Umbrella Beneficiary Fund

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# Steps to take should a guardian or beneficiary pass away

**Throughout the COVID-19 pandemic, the world has and continues to experience high numbers of untimely deaths than ever before.**

The reality, while scary, is that we could all be affected at some point and need to ensure we are as prepared as we can be for this eventuality. Guardians and beneficiaries might be affected without Beneficiary Care being made aware. We therefore encourage you to inform us immediately in the event of either a guardian or beneficiary passing away. Upon notification of the passing of a guardian or beneficiary the following process will apply:

- **Where a deceased status has been recorded, the monthly income will be suspended immediately;**
- **Beneficiary Care will contact the family or next of kin of the guardian or beneficiary and share the administration process, including documents required;**
- **If contact cannot be established with the family or next of kin of the guardian or beneficiary, Beneficiary Care will initiate tracing of family members or the next of kin.**

## IN THE EVENT OF THE GUARDIAN PASSING AWAY

- Beneficiary Care will request the nomination of a new guardian from the family or next of kin of the beneficiary.
- Beneficiary Care requires the nominated guardian to provide the following documents:
  - A certified death certificate of the deceased guardian;
  - The Social Worker's Report or Court Order confirming the nominated guardian;
  - Supporting documents of the nominated guardian such as a certified copy of ID and proof of banking account details;
  - The new guardian is required to complete the information sheet as well as the release and indemnity form;
  - Once all documentation has been received, payment will be reinstated to the new guardian.

## IN THE EVENT OF THE BENEFICIARY PASSING AWAY

- Beneficiary Care will request the following Estate Late documentation:
  - A certified copy of the death certificate of the beneficiary;
  - Letter of executorship;
  - Executors details (including certified copy of ID);
  - Estate Late bank account details of the deceased beneficiary;
- Once all documentation has been received, any payments due, will be processed to the Estate Late bank account;
- Thereafter, the member's record is terminated.

Dealing with a death of a loved one is already a difficult and emotional process, by ensuring you have notified the correct institutions, such as Standard Trust Limited, we can assist in making sure your payments continue as intended when it is needed most.

# Economic Update

30.12



18.07

22.10

25.01

24.78

25.21

## THE ECONOMY IN A NUTSHELL

The global economy has continued making a gradual recovery from the COVID-19-induced economic shocks. Production levels rebounded from the low seen in Quarter 2, lifting business sentiment as business activities picked up and trading conditions improved with the further reopening of economies. Consequently, equities delivered another quarter of resilient performance relative to bonds as risk-on sentiment dominated for most of the time in Quarter 3. Consumer confidence also saw moderate recovery. However, it was much more cautious as the labour market outlook cooled towards the end of the quarter once the low-hanging fruit had been picked as businesses resumed operations post-lockdown. Further payroll growth will depend on the progression of the pandemic going forward and recovery in the aggregate demand. With each passing month, more companies have announced job-cut plans – which were largely paused during the lockdown – as firms have assessed the future business climate and cut costs to retain profit margins. The overall sentiment is most optimistic in China as the country has so far succeeded in preventing a second wave of COVID-19. Also, domestic travel in China has nearly recovered to pre-pandemic levels, local tourism has received a boost, factories are churning, and life has almost returned to full normalcy. Thus, the Chinese stock market was one of the best performers in the third quarter. However, the economic future of the world's largest manufacturer is also dependent on how quickly its major trading partners recover from the COVID slump.

## THE POSITIONING OF CENTRAL BANKS

Most central banks remain accommodative, pulling out all the stops to engineer a more sustainable economic recovery. We have seen persistent positive liquidity injections from the European Central Bank and the Bank of Japan, while the Federal Reserve remains committed to asset purchases and keeping rates near zero to boost recovery in the labour market. Locally, the South African Reserve Bank took more of a cautious stance after slashing the repo rate from 6.5% in 2019 to an all-time low of 3.5% in 2020. The upside inflationary risk looks limited for now as consumer demand remains weak, despite reopening efforts producing some positive inflationary momentum. But deflationary forces are also at play as producers and retailers struggle to pass the rand weakness witnessed so far, into 2020. The domestic economic outlook remains fragile as the country grapples with structural constraints, macro policy uncertainty and a very high unemployment rate.

## HOW ARE MY FUNDS POSITIONED AND OUTLOOK?

**STANLIB ABSOLUTE FUND**-The fund is managed with an absolute return mindset and management of downside risk to protect capital is very crucial in market turmoils. The manager was conservatively positioned given uncertainty in the financial markets. The manager will continue to search for good opportunities to drive returns without taking excessive risk as stability comes back into the markets. In terms of the capital allocation, the manager prefers offshore equity over local equities. There has been increased in the allocation to South African bonds over the quarter.

### CHANGE IN ALLOCATION OF THE FUND OVER THE QUARTER

Asset type	Q3 2020	Q2 2020	Change
<b>Domestic Cash and Money Market</b>	<b>14.81</b>	<b>16.38</b>	<b>-1.57</b>
<b>Domestic Commodity</b>	<b>3.15</b>	<b>0.00</b>	<b>3.15</b>
<b>Domestic Currency Overlay</b>	<b>35.15</b>	<b>25.38</b>	<b>9.78</b>
<b>Domestic Equity</b>	<b>10.62</b>	<b>3.37</b>	<b>7.25</b>
<b>Domestic Fixed Interest</b>	<b>44.08</b>	<b>51.60</b>	<b>-7.51</b>
<b>Foreign Cash and Money Market</b>	<b>-2.35</b>	<b>-6.45</b>	<b>4.10</b>
<b>Foreign Currency Overlay</b>	<b>-35.15</b>	<b>-25.38</b>	<b>-9.78</b>
<b>Foreign Equity</b>	<b>18.81</b>	<b>22.06</b>	<b>-3.24</b>
<b>Foreign Fixed Interest</b>	<b>10.87</b>	<b>13.05</b>	<b>-2.18</b>

**STANLIB MULTI-MANAGER MEDIUM-HIGH EQUITY FUND OF FUNDS**- The fund manager remains optimistic on growth assets by maintaining an overweight position and favour bonds within the fixed income category. The key area of focus is on South African government and their economic recovery plans.

### CHANGE IN ALLOCATION OF THE FUND OVER THE QUARTER

Asset type	Q3 2020	Q2 2020	Change
<b>Domestic Cash and Money Market</b>	<b>5.32</b>	<b>6.80</b>	<b>-1.49</b>
<b>Domestic Derivatives</b>	<b>-0.05</b>	<b>-0.06</b>	<b>0.00</b>
<b>Domestic Equity</b>	<b>40.30</b>	<b>40.21</b>	<b>0.08</b>
<b>Domestic Fixed Interest</b>	<b>21.90</b>	<b>19.80</b>	<b>2.09</b>
<b>Domestic Property</b>	<b>7.29</b>	<b>8.05</b>	<b>-0.75</b>
<b>Foreign Cash and Money Market</b>	<b>0.23</b>	<b>0.36</b>	<b>-0.13</b>
<b>Foreign Derivatives</b>	<b>0.02</b>	<b>0.02</b>	<b>0.00</b>
<b>Foreign Equity</b>	<b>23.38</b>	<b>22.58</b>	<b>0.79</b>
<b>Foreign Fixed Interest</b>	<b>1.09</b>	<b>1.72</b>	<b>-0.63</b>
<b>Foreign Funds</b>	<b>0.02</b>	<b>0.00</b>	<b>0.02</b>
<b>Foreign Other</b>	<b>0.04</b>	<b>0.04</b>	<b>-0.01</b>
<b>Foreign Property</b>	<b>0.48</b>	<b>0.46</b>	<b>0.01</b>



# Winter clothing claiming process

With autumn on our heels and winter fast approaching, we would like to keep you informed of the claiming process for winter clothing.

- A letter is required from the guardian requesting the need for winter clothing which must reflect the following information:

- **Beneficiary name and ID number**
- **Amount requested**
- **Current physical address**
- **Contact details**

- A quotation or invoice must be attached to the request as well as the banking details of the vendor we need to pay.

NB: Only in instances where the guardian is unable to get a quotation/invoice or banking details from the vendor for example in outlying areas, Beneficiary Care will pay the guardian directly.

# Importance of updating information



Morning Lesedi, please get up and get ready, we are going to Standard Bank.

Good morning Gogo, why are we going to Standard Bank?

We need to drop documents for Standard Trust with our new details. We moved to a new house and my cellphone number also changed.

Why do we need to do that Gogo?

So Standard Trust can reach us whenever they need to contact us.

Why would they contact us Gogo?

Standard Trust sends us important information and they also phone us when necessary.

Ok Gogo, it is very important that we always make sure they have our new details whenever there's a change.

Yes, my child that's correct. Let's hurry up now if we want to get to the bank on time.

We need to drop documents for Standard Trust with our new details. We moved to a new house and my cellphone number also changed.

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# Our Partners



As mentioned in the previous editions of the Sisonke Newsletter, the Edcon voucher benefit with CNA, Edgars and Jet has been suspended. This is due to the business changes that are happening within the Edcon Group.

We continue to monitor the situation and will keep you updated on this partnership.

## Contact Us

### ADMINISTRATION DEPARTMENT

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