



Important reading for all members

Planning ahead for your golden years



Planning for old age may not seem much fun, but it will give you some peace of mind today and guide your loved ones in the future when you are away.

Have you updated your beneficiaries this year?



Once again, we urge you to ensure that your and Nomination of Beneficiaries form is reviewed regularly, so that it reflects the correct information, should you pass away.

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Reading your Trustees' Annual Report: Important icons



Important Information



Please note



Visit members' web page

Dear members, participating employers and intermediaries

I have pleasure in presenting this annual report for the Corporate Selection Umbrella Funds for 2017. We try, through this report, to give our members further valuable information on the fund, their retirement savings, and the opportunities available to them to improve their future retirement outcomes. For our participating employers, our aim is to assist in enhancing your employee value proposition and to ensure that the fund and its benefits form a valuable component to your employee benefit offering. The annual report also offers us the opportunity to alert our stakeholders to regulatory changes, both implemented and planned for the future, and how these impact on the board's strategic objectives to serve our stakeholder needs better.

The 2017 financial year was an eventful one characterised by a tough and volatile economic environment. The ongoing Steinhoff saga has been of significant concern to all investors, and the increase in VAT and fuel prices will have a very real negative impact on businesses and our members. As a board we remain committed to managing the assets of the fund responsibly, procuring efficient and cost effective administration and entrenching client-centricity to all of our processes, including communication.

During the latter half of 2017 the so-called 'default regulations' were finally promulgated with an effective date of 1 March 2019. Although we appreciate that some of these changes may present challenges to our administrators, asset managers and intermediaries, it is the board's view that all of these changes will ensure that the needs of members are served better.

The regulations require of trustees to help members both in the savings phase of their membership, and in the draw-down phase when they retire. The main provisions are –

- Funds should allow members to preserve their benefits within the fund when they leave the service of their employer. A member may still withdraw their full benefit as cash when they leave service; it is just being made easier for those members who want to preserve their retirement savings to do so. We will be rolling out various initiatives aimed at obtaining contact information for every member in order to ensure that we are able to keep in contact with the member, including providing updated values from time to time.
- Funds should have a default investment strategy that will apply in those instances where members have not selected their own investment strategy or investment portfolios for their retirement savings. See the investment section of this report for more detail on the current strategy and performance.
- Funds should have a default annuity strategy that is simple, cost effective and transparent. Liberty's research into pensioner needs indicate that 66% of employees retiring would like to have a guaranteed income for life – in other words, they do not necessarily want to assume the investment and longevity risk of a living annuity. That said, ASISA statistics show that 90% of retirees purchase living annuities on retirement, which clearly shows that there is a real need for this product. Our focus in offering default annuities should therefore be on making sure that members understand their choice, that Liberty structures the product responsibly, and that we as a board offer this default on a cost-effective basis.

- This brings me to another very important aspect to the regulations – access to information and access to advice. It is our belief that despite the introduction of default strategies that would assist many of our members, especially when combined with improved member engagement through the use of our fund website, more regular messaging and the use of electronic communication media to engage directly with our employers and members, the financial intermediaries have a crucial role to play in guiding members in achieving their retirement goals, and to assist those members for whom the default strategies may not be appropriate.

From a governance perspective I am happy to report that the board and its sub-committees are functioning well, and that we are comfortable with the balance of skills and experience on the board. My thanks to each of the board members for their contribution to the funds. It is an honour to work with such dedicated professionals in achieving the objectives of the funds. I would also like to extend my thanks to the executive team of the funds for their ongoing support and hard work during the year. We would not have been able to achieve any of our goals without your hard work in managing the day-to-day business of the fund.



E. Nieuwoudt
Chairman of the Board



Who manages the Funds?

Meet your Trustees

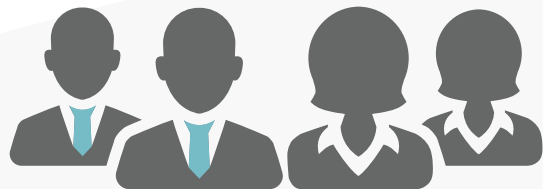
The Funds are managed by a Board of Trustees, who appoint a **Principal Executive Officer**. Together with the support staff, the Principal Executive Officer is responsible for implementing Board decisions and the day-to-day management of the Suite of Umbrella Retirement Funds and ensuring that the business of the Funds is run smoothly.

The Trustees are responsible for all the decisions made on the Funds. Their obligations include ensuring that members' and beneficiaries' interests are prioritised at all times. All board members are suitably qualified individuals. They also have access to retirement industry experts and specialists whenever additional guidance is required. The Trustees meet regularly to discuss investments, benefits and administrative matters.

The Board comprises eight Trustees:

FOUR ARE FULLY
INDEPENDENT OF THE
FUNDS' SPONSOR,
LIBERTY GROUP

FOUR ARE
SPONSOR-APPOINTED
FROM AMONG SENIOR
MANAGEMENT



The Board Members (Trustees) of the Funds are:



Erika Nieuwoudt

Chairperson and Independent Trustee

- Appointed September 2013 and re-appointed September 2016
- Served as Chairperson since 1 December 2015
- 10 years' experience as Independent Trustee
- 23 years' experience in the retirement fund industry
- Independent legal consultant to retirement funds and fiduciary services
- Qualifications: BProc, Adv Dip Labour Law, Adv Dip Pension Law



Martin Kuscus

Independent Trustee

- Appointed February 2016
- Over 25 years' experience in government and corporate sectors, both locally and internationally
- Experience on boards of other retirement funds
- Former CEO of South African Bureau of Standards
- Qualifications: BA, Diploma in Nursing



Maemili Ramataboe

Independent Trustee

- Appointed April 2012 and re-appointed April 2015
- 17 years' retirement fund industry experience
- Independent trustee of other funds
- Audit committee member at various public sector entities
- Risk Management Consultant
- Member of Council of Tshwane University of Technology
- Former principal officer of GEPF
- Former corporate treasurer Lesotho Highlands Water Project & SAPREP
- Qualifications: CA, MBA, Accredited Associate of IIB

(Term of office has subsequently expired 31 March 2018)



Mabatho Seeiso

Independent Trustee

- Appointed May 2017
- 16 years' experience in the financial services industry Served as an independent investment committee member and professional trustee on various boards since 2008
- Qualifications: Honours (Economics and Marketing), Honours (Financial Analysis and Portfolio Management), MBA

(Subsequently resigned 13 March 2018)



Graham Thomas

Sponsor Trustee

- Appointed May 2014 and re-appointed May 2017
 - 25 years' experience in the employee benefits industry
 - Divisional Director of Product Solutions for Liberty Corporate
 - Qualifications: BSc Actuarial Science, Associate Member of Actuarial Society of South Africa
-



Michael Norris

Sponsor Trustee

- Appointed May 2017
 - Liberty Group Executive Group Reporting
 - 16 years' experience in the life insurance industry
 - Experience on boards of other retirement and medical aid funds
 - Qualifications: Chartered Accountant
-



Chris Roelofse

Sponsor Trustee

- Appointed June 2014 and re-appointed June 2017
- R8.5bn Alternative Assets Portfolio Manager at STANLIB Multi-Manager
- 13 years' experience in various investment and portfolio management roles in South Africa and the UK
- Qualifications: BSc Financial and Actuarial Maths, CFA, CFP, MBA



Michael Clifford

Sponsor Trustee

- Appointed March 2016
- 26 years' experience in employee benefits
- 9 years' trustee experience
- Experience on boards of other retirement funds
- Extensive experience in managerial roles in the business field
- Qualifications: Dip ETDP



Roger Spence

Principal Executive Officer

- Appointed July 2015
- Over 30 years' experience in remuneration and employee benefits as well as extensive experience as Principal Executive Officer
- Global Remuneration Professional (GRP®)
- Associate Principal Executive Officer (APEO)
- Qualifications: BT HRMM, SMDP, Programme in Retirement Fund Management, Certificate in Pension Funds Law

Resignations and appointments

- **Ms Maemili Ramataboe** (Independent Trustee) term of office expired on 31 March 2018.
- **Mr Mabatho Seeiso** (Independent Trustee) resigned on 13 March 2018.
- **Mr Graham Thomas** (Sponsor Trustee) was re-appointed in May 2017.
- **Mr Chris Roelofse** (Sponsor Trustee) was re-appointed in June 2017.
- **Ms Erika Nieuwoudt** (Independent Trustee) was re-elected as Chairperson in December 2017.

Board sub-committees

The Board has appointed six **sub-committees** to which specific responsibilities are delegated. The members of these Sub-committees provide advice, guidance and make recommendations to the Board. They also provide direct input during the quarterly Board meetings.

Investment Sub-committee



The Board of Trustees appointed an Investment Sub-committee to direct and oversee the investments of the Funds. The Investment Sub-committee makes recommendations to the Board of Trustees regarding the appointment of the Funds' investment consultant and managers, as well as the investment policy and strategy.

Administration Sub-committee



Efficient administration is key to the successful operation of the Funds. This Sub-committee is tasked with the quarterly review of the Administration SLA between the Funds and Liberty Corporate, which is the Funds' Administrator, and reporting back to the Board on all issues relating to the administration of the Funds.

Audit and Risk Sub-committee



This Sub-committee advises the Board on the Funds' finances as well as the risk management policy and framework of the Funds. It is a requirement of the Board that the Funds' auditors, PricewaterhouseCoopers, attend all Audit and Risk Sub-committee meetings.

Communication Sub-committee



This Sub-committee is responsible for implementing the Funds communication strategy and interventions. The Communication Sub-committee also reviews all communications between the Funds, members and Employers. The Sub-committee works closely with the Fund Sponsor in implementing communication initiatives.

Legal Sub-committee



The Legal Sub-committee acts as an advisory body to the Board on legal matters affecting the Fund and regularly reviews contracts, agreements and policies of the Funds. This Sub-committee also ensures that all practices adopted by the Fund Sponsor are in line with the Rules of the Funds and applicable laws and regulations.

Death Claims Sub-committee



This Sub-committee considers all death claims and provides advice to the Board on the distribution of death benefits (based on Section 37(C) of the Pension Funds Act).

Expert advisors and service providers

The Board of Trustees receives assistance on Fund matters from the following industry experts and specialists:

Auditor	PricewaterhouseCoopers Inc.
Valuator	Michael de Villiers
Administrator	Liberty Group Limited
Investment Advisor	Liberty Corporate Consultants and Actuaries
Asset Managers	Liberty, STANLIB, and other Asset Managers The complete list is reflected in the Investments section.
Risk Benefit Underwriter	Liberty Group Limited
Housing Loan Provider	Standard Bank
Death Benefits for minors	Standard Trust Limited (STL)
Unclaimed Benefits	Liberty Corporate Unclaimed Benefit Fund
Professional Indemnity Insurance	Standard Bank Insurance Brokers (Pty) Ltd

Boards' governance

Each year, the Board undertakes a Trustees' appraisal in line with the process outlined in the Financial Services Board's Circular PF130.

The Funds, being a large entity, also benefit from professional Independent Trustees, who have a vast amount of experience and knowledge. They also serve on the Boards of other retirement funds. Thus, they add value through the experience they have gained when dealing with similar issues in terms of other funds.

Trustees are required annually to provide a detailed declaration of all their appointments to the Principal Executive Officer. Based on these statements of declaration, the Principal Executive Officer is satisfied that the current Independent Trustees are truly independent. Furthermore, the **Board Charter and Code of Conduct** supports their ethical operation.



PLANNING EARLY FOR THE LAST PART OF THE JOURNEY

Hike Mt Kilimanjaro. Shark cage dive. Write a book. Your personal bucket list may go on, and these are probably things you may want to do before you die. But how about those things that you should and need to do? The checklist you see below may not seem such fun, but it will give you some peace of mind today and guide your loved ones in the future when you are away.



WRITE A WILL, INCLUDING A LIVING WILL

Write your Will and talk to your financial advisor on how you would like your financial affairs to be handled. He or she can give you expert advice on any possible issues that may arise and can also provide tailor-made recommendations. This can ensure you have a practical and enforceable Will, instead of leaving things in the hands of the government.

A Living Will is when you provide a trusted person with the authorisation to make health-care and medical decisions on your behalf when you are no longer able to, whether mentally or physically. This is a very big responsibility and therefore you should choose someone you trust.



ENSURE DEPENDANTS WILL HAVE CONTINUED SUPPORT

If you have dependent children, ensure there is a guardian who can take care of them in your absence. If you have a dependent spouse, ensure that you have separate bank accounts so that he or she can continue to access funds in the account.



TALK TO YOUR CHILDREN ABOUT YOUR PLANS

This may not be the most pleasant or easy conversation you will have; however, it could help your children understand how to better care for you and provide you with YOUR idea of quality of care and quality of life in the last few years.



GIVE SOMEONE POWER OF ATTORNEY

Now that you have your will written, you need to provide someone with the authority to carry out those requests. In legal terms, this person is referred to as the executor who will manage your affairs; including but not limited to settling any debt, filing tax returns and distributing assets to your designated beneficiaries or dependants.



SORT OUT YOUR PAPERWORK

Finally, make sure that all your necessary paperwork is filed and kept up-to-date. Let your loved ones know where they can find these documents in the future. This will help to ensure that your will can be executed smoothly and in a timely manner.

BENEFICIARY NOMINATIONS

ENSURE THEY ARE PROTECTED



Once again, we urge you to ensure that your and **Nomination of Beneficiaries** form is reviewed regularly, so that it reflects the correct information, should you pass away.

The Nomination of Beneficiaries form should be submitted to your employer as soon as you join the Fund, and should be regularly reviewed - especially if there is any change in your circumstances, such as:



Marriage/divorce



The birth of a child



Any other changing events in your family

Who are my beneficiaries?

Your beneficiaries can be divided into two groups:

DEPENDANTS

Your partner, your child, or a person whose maintenance you are legally liable for
OR a person whose maintenance you were not legally liable for, but whom you were supporting
OR a person whose maintenance you would have become legally liable for, had you not died.

NOMINEES

Any person, other than a dependant, that you nominate to receive benefits.

In terms of the Pension Funds Act, the Trustees are required to make equitable decisions about the distribution of death approved death benefits to dependants and/or beneficiaries. The reason for this is to ensure that your dependants are provided for before any non-dependants can be considered for benefits. Although the final decision in respect of the distribution of your death benefits rests with the Trustees, an up-to-date, correctly completed nomination form can provide them with vital information to help speed up their investigation leading up to the distribution of benefits.


UNDERSTANDING DIVORCE ORDERS




Legislation makes provision for a member's Fund Value to be shared in the event of divorce. However, many problems arise from incomplete divorce orders.

Firstly, if a divorce order or decree for the dissolution of a marriage is made against your retirement fund benefits, a certified copy of the order must immediately be submitted to the Funds' administrator. Provided the divorce order contains the required information, and the pension interest is specifically mentioned in the order obtained, the Funds will pay accordingly. The Funds administrator can then notify both parties how much will be paid and to whom.

To ensure that the benefit can be paid from the Funds to your ex-spouse, you should ensure that the divorce order contain the following:



The full name of the Fund



That the Fund is ordered to pay the benefit to the non-member spouse



The value of the benefit either as a percentage or rand value

Benefit statements



Benefits statements are issued to all members and provided to your Employer for distribution. This is an annual statement that shows you a summary of all your benefits in the Fund.

The following information is included on your benefit statement:

- | | |
|--|---|
| <input type="checkbox"/> Your Personal Information | <input type="checkbox"/> Your Investment Portfolios |
| <input type="checkbox"/> Your Contributions | <input type="checkbox"/> Your Death Benefits |
| <input type="checkbox"/> Your Total Fund Values | <input type="checkbox"/> Your Disability Benefits |



What you need to do

- Please check that all of the personal information on the statement is correct. Kindly contact your Human Resources office if you need to update your details.
- Discuss your benefits with your immediate family. They need to know what benefits they are entitled to, should you pass away.

Please bear in mind that this statement is an illustration of the values/benefits provided by the Funds. Nothing on your benefit statement can override the current legislation or the Rules of the Funds. Please also note that this document is not a statement of your pension interest for the purposes of Section 7(8) of the Divorce Act, 1979.

Liberty Corporate reviews all calculation assumptions every 6 months, to maintain a realistic estimation of the value of the retirement benefit shown on your statement.

What if I have not received my benefit statement?

The Funds provide annual statements to Employers, and the Board of Trustees relies on the Employers to distribute them to members. **If you have not received your benefit statement, please contact your Employer.**

Disability benefits – what you need to know

The assessment of an approved capital disability benefit is conducted using the definition below as defined in the policy:

Own or Reasonable Occupational Disability

"Means incapacity of such a nature that the Member is, and has been for the immediately preceding period of ninety days (and as far as can be ascertained shall continue permanently to be), continuously and wholly prevented from engaging in the Member's own normal occupation or any reasonable occupation for which he is, or could reasonably be expected to become, suited taking into account his knowledge, education, training, abilities or experience. Without derogating from its generality, permanence of such incapacity shall be assessed considering medical and other treatment that the member could reasonably be expected to undergo. At the absolute discretion of Liberty, the 90-day period may be waived in part or in full."

Payment of benefits



The Corporate Selection Retirement Funds pay the vast majority of benefits **within 10 days of receipt of the necessary documentation.**



Please note: In order for the Administrator to make payment, you must provide certain minimum information, such as your tax reference number and banking details. If the Funds do not have this information, your payment will be delayed.

Where can I get a claim form and who can I contact for assistance?



Please visit the website for the latest claim forms, to ensure that correct and complete information has been provided. Please contact the call centre during office hours if you have any queries. Kindly see the information under the **Contact Us** section.

Your Funds' finances

All retirement funds must submit financial information to the Registrar of Pension Funds each year, to ensure that they are in a healthy financial position. It is the pleasure of the Trustees to present to members the latest financial information for the three Corporate Selection Umbrella Retirement Funds.

The auditors of the Fund, PricewaterhouseCoopers, certified that they have audited the annual financial statements of the Funds as at 31 December 2017. They have confirmed that the financial statements of the Funds have been prepared, in all material respects, in accordance with the basis of preparation applicable to Retirement Funds in South Africa as set out in the notes to the financial statements. The Audit and Risk Sub-committee is satisfied that the external auditor is independent of the Funds.

Financial statements

Below are the key extracts from the audited financial statements of the four Corporate Selection Funds for the year ending 31 December 2017.

	Pension Fund	Retirement Fund	Retirement Fund No. 2
Number of participating employers	2,289	1,982	4,480
Number of active members	71,842	75,329	157,600
Total contribution income received and accrued	1,644,842,271	1,586,888,804	2,758,032,422
Death claims paid (Including approved insured benefits)	96,824,622	113,005,229	215,880,202
Lump-sum disability claims paid (Including approved insured benefits)	19,119,072	18,314,205	25,818,291
Retirement benefits paid	342,223,546	692,094,257	462,210,896
Withdrawals paid	944,503,367	991,577,377	1,436,084,371
Divorce payments	6,948,538	5,875,354	13,073,263
Surplus apportionment benefit	-	-14,147	124,530
Benefits paid	1,409,619,145	1,820,852,275	2,153,191,553
Administration costs	43,166,573	42,429,548	88,102,275
Total assets	9,326,003,281	12,365,879,541	14,957,526,160

Investments

An overview of the economy

In January 2018, SA's business confidence rose to the highest level since before Nhlanhla Nene was dismissed as finance minister in 2015 – an event which shook our economy to its very foundations and had major ramifications from a global perspective.

The South African economy could grow by up to 2% in 2018 as a result of political transition, reduced inflation, and higher commodity prices. This is a marked improvement on the roughly 1% economic growth experienced during 2017. However, 2% is still a relatively low rate of growth, especially for a country with such high levels of unemployment.

The South African rand has been experiencing some turbulence in recent weeks. After reaching the R11 mark against the US dollar earlier this year, unfortunately we experienced a slump again, approaching the R13 level in the past month, due to an increase in oil prices, among other factors.

Indications that the US/China 'tariff war' may be dying down has led to renewed stock market gains, with investors regaining confidence and risk-taking behaviour picking up, in turn leading to emerging market currencies improving across the board.

With the greenback still being the main dictator of global currency markets, its direction will continue to be the guiding cue for other currencies. The South African rand will be significantly affected by such global market volatility. Finally, 2018 is a pivotal year in terms of investment grades. If any of the international ratings agencies further downgrade South Africa's credit rating, the consequences could be extreme: billions lost in investments and a severely weakened currency.

Don't forget!

Your retirement savings should be invested according to your own personal needs, and not what's happening in the market. It's important that you understand the consequences of switching into and out of portfolios. If you sell at a loss, you'll be moving less money than you originally had. And when the price of that particular portfolio goes back up and you want to get back into it, you'll have to pay a higher price to do so. Basically, it's a no-win situation.

Finally, if you remove your investment during a down market, you won't benefit when the market rebounds and you would have "locked in" your loss, which impacts on your overall investment return.

As the famous investor Warren Buffet said, "risk comes from not knowing what you're doing". Rather adopt a sensible and disciplined investment strategy. Depending on your age, and your planned retirement date, invest in a portfolio that matches your risk profile and stay there until your risk profile changes.

Investment strategy

All registered retirement Funds are required to have an investment strategy. This is a document that explains the selection, monitoring and managing of the Funds' investments. It lists all the portfolios, as well as the objectives of each, and how these objectives will be measured.

When compiling the investment strategy, the Board of Trustees, in consultation with the Investment Subcommittee and the Investment Consultant, consider factors such as inflation over the long term, the age profile and salary profile of members, targeted replacement ratio, and the Pension Funds Act.

The Board of Trustees has the ultimate responsibility for the Funds' investment strategy. They do their utmost to ensure they cater for the needs and requirements of the majority of the members. It is for this reason that they provide members with a range of investment portfolios to suit their different needs.

Which portfolios are offered?

The Board of Trustees is aware that most members are not investment experts. It is perfectly understandable that you may lack sufficient knowledge about investments and therefore are not comfortable when choosing a portfolio.

The **Life Stage Model** has been introduced to assist members with difficult investment decisions. This model ensures that your contributions are invested according to your number of years to retirement (investment horizon).

Why is this? Generally, the closer you are to retirement, the safer your investment should be. If you choose the Life Stage Model, your investments will automatically and gradually be transferred into the next more conservative (safer) portfolio as and when you reach the next age category in the Life Stage Model.

However, if you would prefer to have control over your own investment portfolio, the following portfolios are available to you:

Corporate Portfolios	Available for New Business
CR Corporate Absolute Returns	Y
CR Corporate Choice Assets	Y
CR Liberty ALBI TR Tracker Fund	Y
CR Liberty ALSI Top 40 TR Tracker Fund	Y
CR Liberty Corporate Advanced Bonus	Y
CR Liberty Institutional Money Market Fund	Y
CR Oasis Crescent Balanced High Equity FOF	Y
CR STANLIB Multi-Manager CPI Plus	Y
CR STANLIB Shari'ah Balanced Fund	N

Liber8 Smart Liberty Secure Fund	N
Liberty Aggressive Balanced Tracker Fund	Y
Liberty Conservative Balanced Tracker Fund	Y
Liberty Moderate Balanced Tracker Fund	Y
Liberty Shariah Fund of Funds	Y
Liberty SteFi Tracker Fund	Y
Liberty SWIX Top 40 Tracker Fund	Y
RA Corporate Preferred Assets	Y
RA Liberty Corporate Listed Real Estate Portfolio	Y
RA Liberty Corporate REIT Portfolio	Y
RA Liberty Corporate Unlisted Real Estate	Y
RA Oasis Crescent Equity	N
RA STANLIB Income Fund	N
SR Liber8 Smart Advanced Bonus	N
SR Liber8 Smart Stable Growth Fund	N
Stable Growth LDS	N
Adviser Range Portfolios	Available for New Business
Allan Gray Orbis Global Equity	N
SMM Allan Gray Balanced	Y
SMM Allan Gray Equity	Y
SMM Allan Gray Stable	Y
SMM Allan Gray-Orbis Global Equity Feeder Fund	Y
SMM Allan Gray-Orbis Global Fund of Funds	Y
SMM Coronation Aggressive Equity Fund	Y
SMM Coronation Balanced Defensive Fund	Y
SMM Foord Balanced Fund	N
SMM Foord Equity Fund	Y
SMM Foord International Feeder Fund	Y
SMM Investec Absolute Income Fund	Y
SMM Investec Opportunity Fund	Y
SMM Investec Value Fund	Y
SMM Kagiso Balanced Fund	Y
SMM Nedgroup Investment Managed Fund	Y
SMM Nedgroup Investment Rainmaker Fund	Y
SMM Oasis Crescent Balanced High Equity FOF	N
SMM Prudential Equity Fund	Y
SMM RE:CM Flexible Equity Fund	Y
SMM Prescient Positive Return Fund (Added to List)	Y

External House View Portfolios	Available for New Business
CR Allan Gray House View with Global	Y
CR Coronation House View with Global	Y
CR Investec House View with Global	Y
CR Oasis House View with Global	Y
CR Prudential House View with Global	Y
Legacy Portfolio Market Values	Available for New Business
CR Allan Gray House View	N
CR Corporate Preferred SA Assets	Y
CR Corporate SA Absolute Returns	Y
CR Corporate Specialist SA Balanced	Y
CR Corporate Specialist SA Equity	Y
CR Investec House View	N
CR STANLIB Multi Manager Aggressive	Y
CR STANLIB Multi Manager Conservative	Y
CR STANLIB Multi Manager Moderate	Y
I Fedsure Guaranteed GOO01	N
I Liberty Corporate Balanced Fund	N
I Liberty Corporate Money Fund	N
RA Allan Gray Equity	N
RA Corporate ALSI 40 Plus	Y
RA Corporate Balanced Bonus	Y
RA Corporate Financial & Industrial	N
RA Corporate Gilt	Y
RA Corporate International Assets	Y
RA Corporate Liquid Assets	N
RA Corporate Real Estate CPI	N
RA Corporate Specialist Balanced	Y
RA Corporate Specialist Equity	Y
RA Corporate Wealth Develop	N
RA LA Excel Lifetime Phase1	N
RA LA Excel Lifetime Phase3	N
RA LA Excel Lifetime Phase4	N
RA LA Excel Lifetime Phase5	N
RA LA Excel Moderate	N
RA LA Excel Moderate (G)	N
RA LA Standard Bank Money Market	N
RA Liberty Equity Element	N
RA Liberty Managed	Y
RA Standard Bank Money Market Fund	N

Liberty Life Stage Portfolios	Available for New Business
CR Liberty Stable Growth Fund	Y
Liberty Secure Fund	Y
Single Manager Life Stage Portfolios	Available for New Business
Single-manager Consolidation	Y
Single-manager Growth	Y
Single-manager Preservation	Y
STANLIB Multi Manager Portfolios	Available for New Business
CR STANLIB Multi-manager Aggressive Balanced	Y
CR STANLIB Multi-manager Conservative Balanced	Y
CR STANLIB Multi-manager Moderate Balanced	Y
Asset Consultant Portfolio Range	Available for New Business
MenteNova Wealth Builder (Added to list)	N
MenteNova Wealth Protector (Added to list)	N
MenteNova Wealth Stabiliser (Added to list)	N
PSG Wealth EB Aggressive Fund (Added to list)	N
PSG Wealth EB High Equity Fund	N
PSG Wealth EB Medium Equity Fund	N
Sasfin Met Balanced	N
Sasfin Met Prudential	N
Sasfin Met Stable	N
Seed Unitised Balanced Selection	N
Seed Unitised Conservative Selection	N
Seed Unitised Moderate Selection	N

Choosing your own portfolio: pitfalls

It is risky to choose your own portfolio if you do not have a suitable financial qualification. If you choose a too low risk portfolio when you are young, you might not beat inflation over the long term. On the other hand, if you are invested with a portfolio with too much risk close to retirement and the markets drop, you might lose a large portion of your savings!



We strongly suggest that you consult an accredited financial advisor to assist you with this process.

How did they perform?

Investment performance to 31 December 2017

The table below shows the annualised time-weighted returns of the various portfolios, net of all costs.

PORTFOLIOS	1 yr		3 yr		5 yr	
	Portfolio	Benchmark	Portfolio	Benchmark	Portfolio	Benchmark
Single manager risk profiles:						
Corporate Preferred Assets	7.5%	13.1%	5.5%	8.1%	9.3%	11.6%
Corporate Choice Assets	7.3%	11.8%	5.9%	8.6%	9.2%	11.3%
Corporate Absolute Returns	7.8%	9.7%	7.0%	10.5%	8.0%	10.4%
Corporate Real Estate	8.6%	9.7%	9.8%	10.5%	10.3%	10.4%
Liberty Institutional Money Market Fund	8.2%	7.5%	7.7%	7.1%	7.0%	6.5%
Corporate International Assets	7.2%	-1.4%	9.3%	7.4%	16.3%	14.2%
Multi manager risk profiles:						
STANLIB Multi-Manager Aggressive Balanced	11.1%	15.9%	7.1%	9.6%	10.4%	12.8%
STANLIB Multi-Manager Moderate Balanced	10.3%	13.9%	7.9%	8.6%	11.2%	11.5%
STANLIB Multi-Manager Conservative Balanced	8.7%	11.1%	7.3%	8.1%	9.0%	9.9%
External house view portfolios:						
Allan Gray House View with Global	11.1%	11.9%	9.6%	7.8%	12.6%	11.3%
Investec House View with Global	13.1%	11.9%	9.5%	7.8%	12.7%	11.3%
Prudential House View with Global	13.0%	11.9%	8.9%	7.8%	12.2%	11.3%
Coronation House View with Global	12.7%	11.9%	7.7%	7.8%	12.0%	11.3%
Oasis House View with Global	8.0%	11.9%	6.0%	7.8%	10.6%	11.3%
Single manager life stage:						
Single Manager Growth	7.8%	13.1%	5.0%	10.6%	8.2%	10.6%
Single Manager Preservation	7.1%	9.8%	6.8%	7.0%	6.4%	6.4%
Single Manager Consolidation	7.4%	11.8%	6.3%	9.0%	8.6%	8.8%
Shari'ah portfolios:						
STANLIB Shari'ah Balanced Fund	6.4%	6.2%	4.1%	4.7%	7.6%	7.0%
Liberty Shari'ah Fund of Funds	9.0%	4.3%				
Oasis Crescent Balanced High Equity	2.7%	7.7%	3.7%	8.5%	7.8%	8.4%
Oasis Crescent Equity Fund	3.2%	7.8%	1.5%	3.6%	6.4%	6.2%

How did they perform?

PORTFOLIOS	1 yr		3 yr		5 yr	
	Portfolio	Benchmark	Portfolio	Benchmark	Portfolio	Benchmark

Balanced passive risk profiles:

Liberty Aggressive Balanced Tracker Fund	16.7%	17.2%	8.7%	9.4%		
Liberty Conservative Balanced Tracker Fund	12.2%	12.7%	7.7%	8.2%		
Liberty Moderate Balanced Tracker Fund	15.9%	16.4%	8.4%	9.0%		

Specialist passive portfolios:

Liberty SteFI Tracker Fund Liberty	7.5%	7.5%	7.1%	7.1%		
Liberty SWIX Top 40 Tracker Fund	24.0%	24.0%	9.4%	10.1%		
Liberty ALBI TR Tracker Fund	10.2%	10.2%	6.9%	6.9%		
Liberty ALSI Top 40 TR Tracker Fund	23.1%	23.1%	9.2%	9.2%		

Risk managed portfolios:

Liberty Secure Fund	7.4%	7.7%	6.8%	8.5%		
Liberty Stable Growth Fund	6.4%	9.7%	5.8%	10.5%	8.0%	10.4%
Liberty Corporate Advanced Bonus	6.5%	4.7%	5.4%	5.5%	6.2%	5.4%

External unit trusts:

Sasfin Met Balanced (Multi Asset - Low Equity risk profile)	12.4%	8.7%				
Sasfin Met Prudential (Multi Asset - Medium Equity risk profile)	13.3%	10.7%				
Sasfin Met Stable (Multi Asset - High Equity risk profile)	13.2%	6.7%				
Sasfin Met Equity (Equity risk profile)	10.7%	21.2%				

PORTFOLIOS	1 yr		3 yr		5 yr	
	Portfolio	Benchmark	Portfolio	Benchmark	Portfolio	Benchmark

SMM Range:

SMM Allan Gray Balanced	10.9%	11.3%	9.6%	7.7%	12.4%	11.3%
SMM Allan Gray Equity	13.8%	21.0%	9.8%	9.3%	12.6%	11.9%
SMM Allan Gray Stable	9.4%	8.2%	9.8%	7.9%	9.0%	7.3%
SMM Allan Gray-Orbis Global Equity Feeder Fund	15.6%	11.3%	15.8%	12.8%	24.2%	21.3%
SMM Allan Gray-Orbis Global Fund of Funds	6.8%	5.3%	11.9%	9.6%	17.0%	16.2%
SMM Coronation Aggressive Equity Fund	15.4%	21.2%	6.5%	9.4%	11.3%	12.8%
SMM Coronation Balanced Defensive Fund	8.5%	9.3%	7.5%	6.3%		
SMM Foord Balanced Fund	7.2%	9.3%	5.7%	6.3%	9.9%	9.1%
SMM Foord Equity Fund	4.9%	12.3%	3.2%	4.9%	9.6%	8.6%

How did they perform?

SMM Foord International Feeder Fund	4.7%	11.3%	8.3%	12.8%	13.9%	21.3%
SMM Investec Absolute Income Fund	8.7%	7.5%	7.9%	7.1%	5.9%	6.5%
SMM Investec Opportunity Fund	5.8%	10.7%	6.2%	11.5%	8.7%	11.4%
SMM Investec Value Fund	14.7%	21.0%	15.2%	9.3%	11.4%	11.9%
SMM Kagiso Balanced Fund	13.4%	9.3%	6.9%	6.3%		
SMM Nedgroup Investment Managed Fund	5.3%	9.3%	-6.2%	6.3%		
SMM Nedgroup Investment Rainmaker Fund	16.5%	12.3%	7.5%	4.9%		
SMM Oasis Crescent Balanced High Equity FOF	2.7%	7.7%	3.7%	8.5%	7.8%	8.4%
SMM Prescient Postive Return Fund						
SMM Prudential Equity Fund	16.0%	12.3%	8.7%	4.9%	12.8%	8.6%
SMM RE:CM Flexible Equity Fund	2.8%	21.0%	1.3%	9.3%		
STANLIB Multi Manager CPI Plus	10.2%	8.7%	7.3%	9.5%	8.7%	9.4%

Seed Range (Only available for Seed clients):

Seed Unitised Conservative Selection	8.9%	6.7%	7.9%	7.5%		
Seed Unitised Moderate Selection	11.6%	8.7%	8.3%	9.5%		
Seed Unitised Balanced Selection	13.0%	10.7%	8.4%	11.5%		
Seed Unitised Income Selection	7.9%	6.7%	6.5%	7.5%		

PSG Range (Only available for PSG clients):
NB: PSG Does not supply benchmarks

PSG WEALTH EB HIGH EQUITY FUND	11.9%					
PSG WEALTH EB LOW EQUITY FUND	9.1%					
PSG WEALTH EB MEDIUM EQUITY FUND	10.6%					
PSG WEALTH EB CASH PLUS FUND	8.1%					

MenteNova Range

MenteNova Wealth Builder	15.1%	16.3%				
MenteNova Wealth Stabiliser	12.6%	12.9%				
MenteNova Wealth Protector	9.6%	7.7%				

Notes: Blank - Insufficient return history means the portfolio has not been available on the CSUF platform for the required period of time.

Funds' governance



Retirement funds are governed by legislation to ensure the rights of members are protected at all times.

The Board of Trustees is committed to and fully endorses the principles of the Pension Fund Circular 130 on Governance within the prescriptions as provided for in the Pension Funds Act and the Rules of the Fund. The Trustees believe that the Fund complies with and has implemented the main principles of the Pension Fund Circular 130 in all respects.

A governance levy covers the governance costs incurred by the Funds. The major governance elements are: audit fees, staff costs (Principal Executive Officer and support staff), fidelity guarantee and professional indemnity insurance cover, and the Independent Trustees' fees. These expenses are necessary to maintain the very high standards of governance that the Pension Funds Act requires.

The governance levy is recovered on a rand basis from members and funded by a small monthly deduction from individual members' Fund Credits. In order to accurately manage any difference between recoveries and costs, the governance levy is paid into an expense contingency reserve account. Any excess Funds are held in the reserve account for the benefit of Fund members. The Trustees review the levy regularly.

Regulation 28 (of the Pension Funds Act)

The Trustees confirm that the Funds continue to work towards full Regulation 28 compliance. The Funds have been communicating regularly with Employers and financial advisors regarding this requirement. Regulation 28 aims to reduce investment risk in the management of retirement funds, by imposing prudent asset diversification principles and limitations. Due to market movements, it is not possible to be fully compliant at all times. Compliance with Regulation 28 requires administrators to be able to report right down to individual member level that the Funds' investments are sufficiently diverse.

The Administrator of the Funds, Liberty Corporate, is diligent in reporting on the compliance of the Funds to the Financial Services Board as required.

Regulatory penalties

No regulatory penalties, fines or sanctions were imposed on any of the Funds during the year.

Corporate governance

King IV is the most updated version of the King Report, which outlines good governance practices. In the future, any board of management could be held liable if it fails to meet these standards.

The golden rules for all boards are as follows:

1. Lead ethically and effectively.
2. Govern the ethics of the fund in a way that supports the establishment of an ethical culture.
3. Be a responsible corporate citizen.
4. Appreciate the fund's core purpose.
5. Enable stakeholders to make informed assessments of the fund's performance.
6. Serve as the focal point and custodian of corporate governance in the fund.
7. Exhibit the appropriate balance of knowledge, skills, experience, diversity and independence.
8. Assist with balance of power and the effective discharge of duties.
9. Ensure that evaluation of the entire board supports continued improvement in its performance.
10. Ensure service providers and principal officer contribute to role clarity and the effective exercise of authority and responsibilities.
11. Govern risk in a way that supports the fund in setting and achieving its strategic objectives.
12. Govern technology and information to support the fund setting and achieving its strategic objectives.
13. Govern compliance with applicable laws.
14. Remunerate fairly, responsibly and transparently.
15. Ensure services and functions that enable an effective control environment.
16. Adopt a stakeholder-inclusive approach that balances needs, interests and expectations.
17. Practise responsible investment to promote good governance.

Default regulations

These changes came into effect on 1 September 2017. The implementation thereof will be effective as of 1 March 2019.

1. Government requires that the retirement savings of members who fail to make an investment be automatically invested in a default investment portfolio.
The Funds already offer the Life Stage portfolio as a default investment option and are therefore compliant in this regard.
2. Government requires that, when a member resigns and is therefore no longer contributing to the employer's Fund, he or she should become a paid-up member of the Fund until the Fund is instructed to pay out or transfer the benefit. However, members will still be able to withdraw their benefits when they leave the service of the employer, or preserve their benefits in another fund of their choice, subject to a written request.
3. Government requires that members must have the option to select an annuity strategy with the Fund at retirement.
Your Trustees are in consultation with the Funds' Asset Consultant and Liberty Corporate as Sponsor of the Funds and are investigating these options. The Trustees will inform you of further developments.

Complaints

Should you have a complaint relating to the Fund, its management, administration, communication, Participating Employers, or any other matter; you can contact your **Board of Trustees** in writing.

Should they not respond within 30 days of you submitting your complaint or their response is unsatisfactory, you may contact the **Pension Funds Adjudicator**.

Please submit all complaints to the Principal Executive Officer (Refer to the **Contact Us** section).

The Trustees investigate all complaints addressed to the Adjudicator's office regarding the Funds.



Funds' contact details

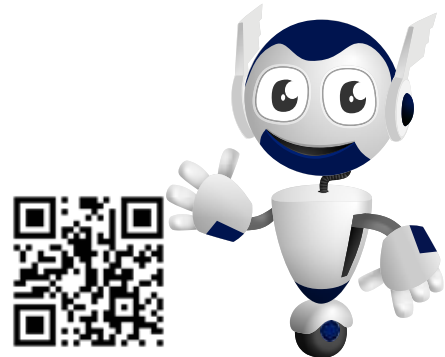
General queries

Direct any general queries regarding the day-to-day administration of the Funds to:

- Your Employer: this is the first person you need to contact!
- The appointed financial advisor; or
- In writing to Liberty Corporate.

Members' web page

<http://www.libertycorporate.co.za/retirement-governance/Pages/retirement-governance.aspx>



Liberty Corporate - contact details

Call centre: **011 408 2999**
 Fax: 011 408 2264
 Website: www.libertycorporate.co.za

Principal Executive Officer

Should you wish to bring any matter to the attention of the Trustees, or if you have problems getting a response from the Administrator, you can contact the Principal Executive Officer:

Roger Spence

Fax: 011 408 2615
 Email: roger.spence@liberty.co.za

The Pension Funds Adjudicator - Contact details

Should you not receive a satisfactory response from the Principal Officer or Trustees within 30 days, you may refer your complaint to the Pension Funds Adjudicator:

4th Floor
 Riverwalk Office Park
 Block A, 41 Matroosberg Road
 Ashlea Gardens Extension 6
 Pretoria
 0181

Tel: 012 346 1738
 Fax: 086 693 7472
 E-mail: enquiries@pfa.org.za

	Corporate Selection Umbrella Pension Fund	Corporate Selection Umbrella Retirement Fund	Corporate Selection Umbrella Retirement Fund No. 2
Fund registration number	12/8/36006	12/8/27024	12/8/36438
South African Revenue Services approval number	18/20/4/40547	18/20/4/9320	18/20/4/40726

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