

# PROVIDING PEACE OF MIND DURING UNCERTAIN TIMES

Backed by Sanlam, Glacier is a leading player in the South African investment industry, and one of the largest players in the retirement space. This document gives more information for clients considering an Investment-Linked Living Annuity to provide for their income in retirement.



THINK WORLD CLASS

glacier  
by Sanlam

# PROVIDING PEACE OF MIND DURING UNCERTAIN TIMES

For many investors, an Investment-Linked Living Annuity (ILLA) is an ideal choice to provide for an income in retirement. It allows the flexibility to select underlying funds and income level, along with the possibility of leaving a legacy to their nominated beneficiaries.

In this document, we explain how an investment in an ILLA is managed and we also provide reassuring information pertaining to the financial strength of Sanlam. The company is known for its cautious stance on financial matters, and has a strong balance sheet – qualities that provide investors with peace of mind when markets are uncertain.

## An ILLA with Glacier - Governance

The Glacier living annuity or ILLA is a policy underwritten by Sanlam Life Insurance Limited (“Sanlam Life”) and forms part of the Sanlam Balance sheet. Glacier is appointed by Sanlam as the administrator for the living annuity. The assets of the living annuity are therefore owned and monitored by Sanlam Life. Glacier’s solvency / insolvency as a business has absolutely no bearing on the asset value of the living annuity, which is fully linked to the value of the underlying investment funds selected. If something were to happen to Glacier, Sanlam Life would merely appoint another administrator for the investment, and transfer the assets to the new administrator. Being the largest life assurer in South Africa should provide some peace of mind as to the sustainability of the business.

In addition, the majority of underlying investments available via the Glacier platform are collective investments (unit trust funds). These investment vehicles provide some of the best security against fraudulent behaviour in that clients’ money falls under the custodianship of an independent trustee company (usually one of the major

banks) that is separate from the collective investment manager and Glacier. All transactions are therefore “monitored” by the independent trustee.

Glacier as the Linked Investment Service Provider (LISP), or platform, holds all participatory interests in collective investment schemes on behalf of clients in the name of its approved nominee, Axis Nominee (Pty) Ltd. Axis Nominee is a separate company to Glacier, with its own board of directors, comprising only external directors. In addition, separate boards of trustees that include external representation oversee all the retirement funds on the Glacier platform.

## Corporate governance

The Glacier LISP is licensed as an administrative Financial Services Provider, and therefore has to report to the Financial Sector Conduct Authority (FSCA), the market conduct regulator, and the Prudential Authority, the prudential regulator that has a mandate to maintain and enhance financial stability. The living annuity is a life policy and is governed by the Long-term Insurance Act, also under the jurisdiction of both regulators.

As a wholly owned subsidiary of Sanlam, Glacier is audited by external auditors, EY (previously Ernst & Young), as well as internal auditors throughout the year. The company has legal and compliance structures in place internally and employs its own compliance officer who, along with the Sanlam compliance department, oversees the management of compliance risk within both Glacier and Sanlam.

## Indemnity cover

In accordance with regulatory requirements, both Sanlam Life and Glacier have adequate professional indemnity and fidelity cover.

# EXTRACTS FROM SANLAM'S CORPORATE REPORT (2016 & 2018)

2016:

## **Resilience in uncertain times**

In the past decade, we have experienced the ways in which systemic shocks such as the financial crisis of 2008, climate disasters and war, can disrupt and destroy value. We have also come to appreciate how a stable and strong financial system can absorb and mute these shocks.

Where a well-established infrastructure of insurance companies, banks, investment groups and stock exchanges exist, individuals and businesses are to some extent protected, and thus better able as a society to manage risks. In these markets, members of society have a choice of life and asset insurance, safe payment systems, access to credit and the ability to trade in any currency with a high level of trust.

South Africa is fortunate to have such a financial system: established and stable, well governed and respected. The Johannesburg Stock Exchange has been rated as one of the top-ranking stock exchanges in the world. As one of the largest financial services groups in Africa, Sanlam is a key pillar within the financial infrastructure and our resilience and sustainability are therefore of utmost importance to maintain stability – a responsibility that is unremittingly recognised by the Sanlam Board and which underpins the Group's prudent management and financial reporting approach.

Sanlam is also classified as a domestically systematically important financial institution (D-SIFI) in South Africa. This means that it can have a significant impact on the economy in any material instance of failure or impairment. It is also the South African listed insurer with the highest exposure to emerging markets – a further perceived market sentiment risk.

Therefore, Sanlam's resilience is a priority beyond the financial results delivered to shareholders – it is a national and international imperative.

2018:

## **Chair's Report: Johan van Zyl**

"2018 was the toughest year I have experienced in business.

The pressure is really on. However, Sanlam has managed these cycles for 100 years and we will continue to do so. We have the values, systems and people in place to do business well and to continue creating wealth and prosperity under almost any circumstances.

We recognise that we need to invigorate ethics in Sanlam and provide clear guidelines, so employees know what and how to do the right thing, while creating wealth.

The Group remains well governed with ample capital.

On an industry and national level, we continued to play our part, whether individually or through associations. We are active members of Business Leadership South Africa and ASISA where we play a leading role in driving towards solutions. We are only as good as the world we create."

## **Group Chief Executive's Strategic Review: Ian Kirk**

"Sanlam also leads by reputation: Sanlam was identified as the top long-term insurer by 52 short-term and 72 long-term insurance independent financial advisers (IFAs) in South Africa in a survey conducted by SBG Securities."

## **Sanlam Life's solvency position – some key points**

All of the major life insurance businesses within the Group were sufficiently capitalised at the end of December 2018. The Sanlam Group SCR (Solvency Capital Requirement) cover ratio of 215% remained largely in line with the 218% cover at 31 December 2017.

## Contact us

**This document is intended for use by financial intermediaries.** The information in this document is provided for information purposes only and should not be construed as the rendering of advice to clients. Although we have taken reasonable steps to ensure the accuracy of the information, neither Sanlam nor any of its subsidiaries accept any liability whatsoever for any direct, indirect or consequential loss arising from the use of, or reliance in any manner on the information provided in this document.

Glacier Financial Solutions (Pty) Ltd. | A member of the Sanlam Group |  
Private Bag X5 | Tyger Valley 7536 | Email [client.services@glacier.co.za](mailto:client.services@glacier.co.za) |  
Tel +27 21 917 9002 / 0860 452 364 | Fax +27 21 947 9210 | Web [www.glacier.co.za](http://www.glacier.co.za) |  
Twitter @GlacierBySanlam | Reg No 1999/025360/07 |  
Licensed Financial Services Provider

Sanlam Life Insurance Ltd. | Email [life@sanlam.co.za](mailto:life@sanlam.co.za) | Tel + 27 21 916  
5000 / 0860 726 526 | Fax +27 21 947 9440 | Reg No 1998/021121/06 |  
Licensed Financial Services Provider

glacier  
by Sanlam