

NEON

RETIREMENT FUND ADMINISTRATION

See administration in a new light!

METROPOLITAN
EMPLOYEE BENEFITS



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EMPLOYEE BENEFITS



Overview

Metropolitan is a South African-based financial services group of more than 100 years standing that has established itself as the leading provider of financial services Southern Africa. It is one of the strongest and most respected, empowered financial services groups in South Africa.

Empowerment Partner

Kagiso Trust Investments is the single largest shareholder in Metropolitan Holdings. A strategic partnership between Metropolitan and Kagiso Trust Investments generates sustainable, long-term financial support for the purpose of community development and to achieve true economic empowerment through active, operational involvement in underlying strategic investments.

Metropolitan Employee Benefits

Metropolitan Employee Benefits has a strong track record of providing administration services to South African retirement funds, which is reflected in:

- Reference clients that include leading organisations in South Africa.
- Regular awards in administrator surveys carried out by the publication Professional Management Review (PMR).

Metropolitan Employee Benefits has a particular way of doing business.

This methodology is unique to METEB and includes business processes, information technology, relationship management, project management, new fund implementation and many other services.

These include administrative, financial, sales and relationship management services across our head office and regional office infrastructure.

All aspects that make up the unique way we manage our business and its clients, contribute to a particular system. We believe that this system (the way we do things) provides METEB with a sustainable competitive advantage.



Bringing 'current administrator standards' to light

We conducted Market research that focused on getting opinion from key national brokerages. The results weren't surprising. They confirmed a general and widespread dissatisfaction with 'current administrator standards' of reporting and other performance variables. Amongst the key findings, the following aspects were significant:-

- The market continues to seek an administrative product and service that is founded upon getting the basics right, one that effectively delivers on the essential suite of basics, things like timely monthly reconciliations, correct exit processing, delivery to agreed turnaround times, high levels of accuracy and information integrity, and minimal re-work.
- The market (in general) recognises the need for individual member choice, but only amongst small sections of employers.
- The market is seeking better governance and in many instances, employers are gradually favouring the setting up of their own Management Trustee Boards, in addition to the Umbrella Board of Trustees. This drive for effective governance signals distrust towards administrator integrity.
- Brokers require a strong broker web access facility so as to provide effective information and service to their clients.
- Brokers are not impressed with the current administration levels and standards of reporting from administrators.



A light at the end of the tunnel

The findings of the METEB research study pointed to the need for a return to the basic principles of sound and trustworthy administration. The construct of a market offering to satisfy the market's needs would need to embody capabilities to deliver bright solutions, to agreed standards, with high levels of integrity, accuracy and failsafe security.



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Illuminating solutions

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Following the research findings, Metropolitan Employee Benefits agreed to structure design and develop a new product, built upon a suite of basic solutions, aimed at the broker market. The capabilities of this product were agreed and design commenced.

The NEON Retirement Fund Administration brand is the result of METEB's understanding of the market's core needs, and addresses these market needs by:

- filling the gap between METEB's Rainmaker Plus offering (for the smaller schemes), and Metropolitan Retirement Administrators (MRA's) Benchmark offering aimed at the very large (5000+ member) funds
- with e-data capabilities at the core of the offering
- offering individual member investment choice
- offering broker, employer and trustee web access
- offering member web access
- offering innovation in terms of reporting via the web

other NEON reporting capabilities that grab the limelight

- effective, standard reporting capabilities
- performance to agreed service levels
- accurate, timely monthly reconciliations
- timely monthly reports
- fast and accurate benefit payment processing
- delivery to agreed turnaround times
- keeping all stakeholders in the light

The essential elements of **NEON**

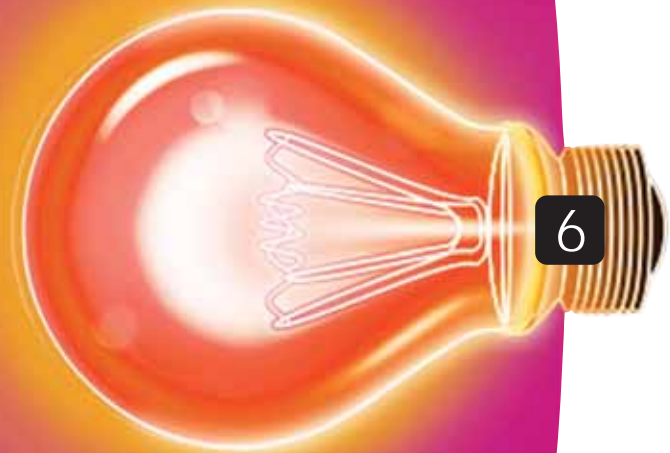
Metropolitan's NEON Retirement Fund Administration offers bright answers to:-

- effective administration
- effective on-line connectivity and e-data management
- effective communication and advice
- effective investment management
- effective Governance and security

BRIGHT, EFFECTIVE ADMINISTRATION

A set standard for monthly, quarterly and annual reports will be set and agreed to as mandatory in respect of service level agreements. These reports will satisfy the needs of the Board of Trustees as well as any Management Boards in terms of PF130 requirements, and give brokers and clients the tools to assess our performance in terms of meeting the agreed turnaround times. The idea is that you should be delighted.

We call it simply getting it **doNEONtime**



By getting the elements of clear and effective reporting right, NEON offers brokers and funds the peace of mind that basic administration standards will be met. Metropolitan Employee Benefits works hard to establish and maintain strong relationships with its clients, concentrating on the time taken to respond as well as on the quality of service.

Innovative technological systems, quality staff, and direct access to key decision-makers ensures that clients can talk directly to a handpicked team of expert consultants who are serious about delivering on our promises of quality and reliability.

Our hands-on and outcome focused approach sets Metropolitan Employee Benefits apart from competitors. We deliver on the basics better than anybody and aim to find real and sustainable solutions for our clients.

NEON-LINE – brilliant, accessible information

MAKING LIGHT OF DATA MANAGEMENT

When it comes to the platform for excellent information sharing, management and transfer, the NEON-LINE capabilities and system qualities are light years ahead.

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NEON-LINE clear system advantages

NEON provides an e-data system with the following features:

- Sound accounting principles
- Automation of key processes, such as investments and disinvestments
- Excellent general reporting capabilities
- Seamless financial and regulatory reporting
- Broker, Employer and Trustee web access
- Member web access, where required
- Automated investment switch facilities
- Facility to automate life-staging
- Excellent financial controllership measures



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RETIREMENT FUND ADMINISTRATION

NEON bright, effective communication and advice

... ENLIGHTENING INTERACTION – A NEON COMMITMENT

Effective communication cuts across all levels of the NEON offer. In addition to the capabilities of the E-DATA platform, NEON offers Brokers a strong broker web access facility so as to provide effective information and service to their clients.

Effective communication includes the reporting on Member, Employer, Trustee and Broker levels. Amongst the many NEON properties, the following properties promote effective communication between all parties.

- effective e-data platform and interaction
- annual benefit statements to Members
- quarterly reporting to Broker, Employer and Trustees on workflow, and the extent to which the Service Level Agreement is being met
- claim reporting to Members.
- effective internet access for all parties' management and control
- quarterly member investment statements
- real-time quotes and projections are available via web to Members, Brokers and Employers

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... THE FULL SPECTRUM OF FINANCIAL CONTROL AND INVESTMENT SOLUTIONS

NEON bright, effective investment strategies

The ability to interact effectively and to make real time decisions based on up-to-date information and solid advice is a key property of NEON.

NEON offers:-

- solutions to free-standing and umbrella funds,
- internet interface for swift decision making, based on daily unit pricing,
- excellent financial control and management via internet and automated processes, and
- consulting on investment strategy.



NEON-LINE e-Data system platform

Clients will enjoy a comprehensive capability to control and manage their retirement fund and / or risk scheme information and data via the Internet.

- Employer information can be validated and electronically submitted directly to and from Metropolitan via the internet to ensure accuracy and security
- e-DATA facilitates the calculation and reconciliation of monthly contributions due for payment
- Data quality is assured through stringent validations
- Employers will be able to access the system 24/7 – that's 24 hours a day, 7 days a week
- Data submission and queries can be managed on-line at a time that suits the employer.
- Since e-DATA provides access to accurate and current data, it is in line with statutory requirements of money/data as required by Section 13A of the Pension Fund Act
- e-DATA allows secure access for registered users - they will be able to exchange data with Metropolitan and view relevant information
- Employers • Employers will now be able to access the database to generate a variety of standard or customised reports instantly and accurately
- Clients have on-line access to member information
- The very latest security technology has been incorporated to ensure that all possible security risks are neutralised.
- All data is encrypted to ensure security during transmission



Member Web Access

Member web access will be available to participating employers electing this option, but will not come standard.

NEON

UMBRELLA FUNDS

We offer two Umbrella Fund products, the Metropolitan NEON IMC Umbrella Pension Fund and the Metropolitan NEON IMC Umbrella Provident Fund. Under these Umbrella Funds, the Umbrella Fund trustees manage the investment strategy.

-Metropolitan **NEON** IMC Umbrella Pension Fund

-Metropolitan **NEON** IMC Umbrella Provident Fund

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We offer the Metropolitan Smooth Growth Fund as well as a Metropolitan NEON Life Staging product as our standard default portfolios.

The Smooth Growth product aims to produce investment returns exceeding an inflation-related benchmark, while offering protection during market downturns.

The Life Staging product is designed to meet the needs of members in different stages of their working lives, with investment strategies changing as members near retirement.

In addition, we offer a range of Large Manager Watch investment portfolios, as approved by the trustees of these Funds. Individual member choice is available, making use of the automated switching facilities (within agreed parameters).

The investments available provide excellent diversity with respect to:

Asset Manager

Asset allocation

Risk-return profile

Level of hedging and smoothing of returns

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NEON Umbrella Funds Investment Strategy

An investment sub-committee, to whom matters relating to investments are delegated, is established by the Board of Trustees. The sub-committee (consisting of at least three trustees, two of which must be independent of Metropolitan), formulates an Investment Policy Statement, with the purpose of:

- defining the investment objectives for the assets of the fund;
- setting out criteria that govern asset portfolio selection and termination and defining the requirements that asset portfolios must meet;
- identifying and delegating responsibilities for the management of the fund's assets;
- specifying procedures for the ongoing monitoring of the asset portfolios.

Investment managers report to the trustees at least twice per annum, while investment portfolio performance will be monitored on at least a half-yearly basis, against the appropriate benchmarks, as well as against the performance of similar investment portfolios managed by other investment providers.

The Investment Policy Statement is reviewed on an annual basis.

Neon solutions for Free Standing Funds

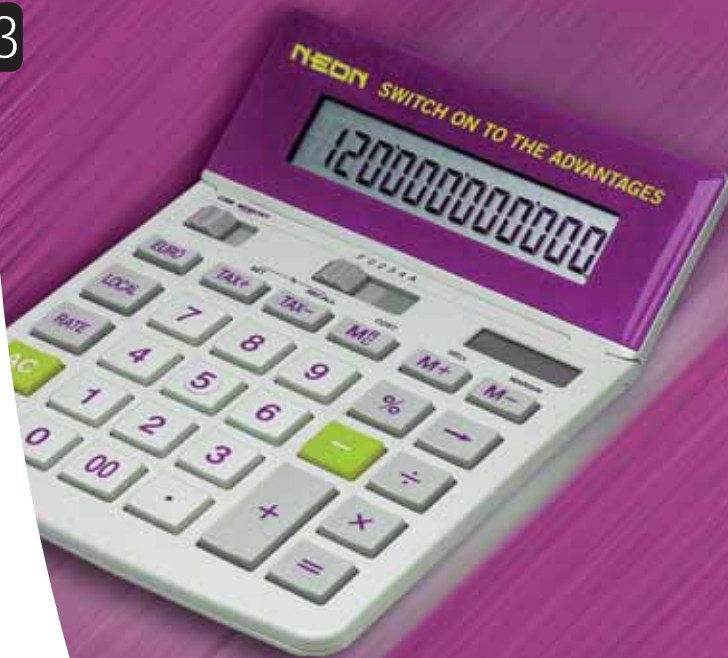
For freestanding funds, we can administer any combination of unitised investment portfolios, smooth bonus type investment portfolios or life staging type products. This includes a Metropolitan NEON Life Staging Investment option as well as the Metropolitan Smooth Growth Fund.

The investment decision is that of the trustees of the fund, and we make it work. Individual member choice is also available.

We will attend trustee meetings, prepare necessary reports and offer secretarial services as optional add-on services.

UV – ultra versatile

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Neon Administration pricing

Neon's competitive, sustainable pricing is built on a technical basis that generates prices accurately. This "pay for what you use" concept takes all aspects of a fund into consideration and avoids cross-subsidisation:

- Size of fund
- Staff turnover
- Investment strategy / policy / selection
- Discounts are given to employers using e-data effectively
- Only members utilising IMC pay an additional admin fee

NEON Risk Benefits

Metropolitan Employee Benefits is able to administer risk benefits for both Free-standing and Umbrella Funds, irrespective of the provider

For Umbrella Fund participants, risk benefits underwritten by Metropolitan would be treated as a true Umbrella, i.e. experience rating done at Umbrella level. This will mean that the risk premium rates (set at tender stage, taking into account risk profile of the group, claims experience etc), will be left unchanged, until the risk profile or claims experience of the Umbrella warrants a change in the premium rates. This means that no standard annual review of premium rates occurs. Should a review of the Umbrella Fund become necessary, EB Risk Solutions would do an analysis of experience and changes in the risk profile per employer, and then adjust the premium rate increases per participating employer, where necessary.

NEON bright effective governance and security

Metropolitan Neon Retirement Administration offers a full spectrum of compliance, governance and information security solutions:-

- NEON-LINE system built on sound accounting principles
- highest levels of accuracy, information integrity and strong governance
- excellent financial controllership measures
- effective internet access for management and control
- latest security technology to neutralise all security risks
- all data is encrypted to ensure security during transmission
- automation of key processes, such as investments and disinvestments.



NEON HIGHLIGHTS

For years, the market has been waiting for a return to the basic elements of effective retirement fund administration. Appropriately named for its capabilities and the promise of bright solutions, NEON provides Brokers, Trustees, Owners and Members with a new spectrum of effective solutions. The future looks bright in neon.



doNEONtime

- NEON effective administration
- NEON fast and effective claim payments
- NEON accurate and timely monthly reconciliations
- NEON exit processing
- NEON reporting
- NEON communication



doNEONstrategy

- NEON advice
- NEON investments
- NEON broker support
- NEON service level agreements



doNEONprinciple

- NEON security
- NEON transparency
- NEON governance
- NEON advice
- NEON compliance

The background of the image is an aerial photograph of a city grid, viewed from an angle. The image is heavily color-graded with shades of blue and cyan, with some green and yellow highlights scattered across the grid, possibly representing parks or specific buildings. The overall effect is a futuristic or high-tech aesthetic.

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