



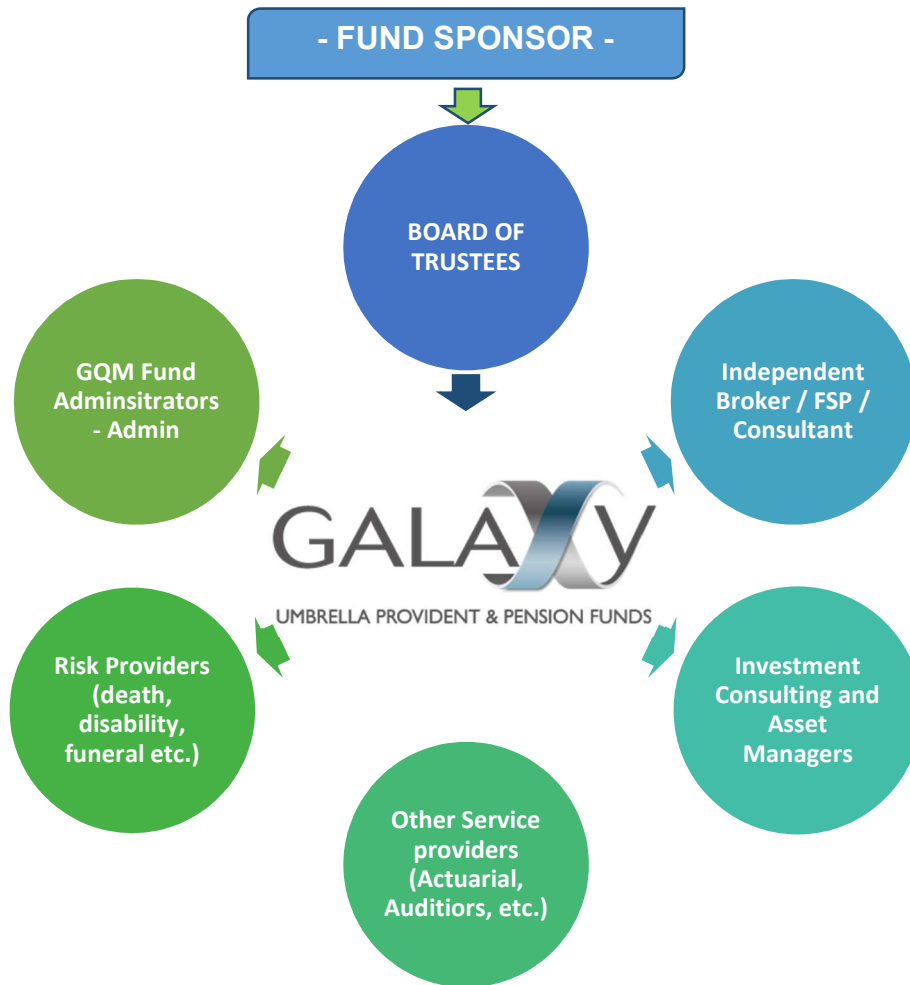
## WHAT ARE THE GALAXY UMBRELLA FUNDS

The **Galaxy Umbrella Funds** were established by Dougall Elliott and Associates to offer its clients and associated brokers a product that incorporates the history, values and origins of Dougall Elliott as a company. Key to the funds are cost effectiveness that will appeal to the small to medium size employers. The brand of the funds expresses its philosophy of bringing together a “galaxy” of partners, service providers and related stakeholders.

Each member, employer and service provider is a partner in a relationship. The funds promote interaction between partners, sharing of ideas, feedback, and more. Partner Relationships, Quality of Service, and Value for Money are focus areas.

Galaxy is innovative in its “new age” offerings and strive to become a market leaders in its field. The funds are approved Umbrella Funds, offering unrelated employers participation in an arrangement through which staff can be offered retirement, death, disability, funeral and similar risk benefits at cost effective and group rates.

# THE GALAXY STRUCTURE



## **COMPLETE INDEPENDENCE**

### **Employee Benefit Consultant**

The funds are marketed by Dougall Elliott and independent specialist employee benefits consultants that are approved by the fund to do so and that are qualified and approved Financial Services Providers (FSP's). These consultants do not work for the fund or the administrator.

### **Service and Benefit Providers**

All service providers are independent and the consultant can assist the employer to “shop” for the best rates in the market. Service providers would typically consist of risk benefit providers, asset consultants, asset managers, actuaries, auditors, etc.

### **Full Range of Risk Providers and Asset Managers**

As all providers are independent to the administrator and fund, the consultant and employer have access to all qualified risk and asset providers and are not restricted in their choice.

## **GOVERNANCE**

### **Trustees**

The funds are managed by a board of 2 independent and 2 sponsor trustees. The trustees have various professional and industry qualifications.

### **Management Committee**

Each participating employer must establish a Management Committee comprising of at least 1 Member Representative and 1 Employer Representative

### **Legal Ownership**

The funds operates in terms of the Pension Funds Act and Income Tax Act and is a legal entity in its own right. The assets of the fund belong to the members of the fund.

### **Segregation of duties**

As all service providers are independent, the fund offers optimum advantage as far as fund governance goes. This offers members and employer optimum protection in benefits and rights

# PLAN AND BENEFIT OPTIONS

<b>CORE PLAN</b>	<b>FLEX PLAN</b>	<b>FULL FLEX PLAN</b>
<p>1 category for contribution rates</p> <hr/> <p>1 category for risk benefits</p> <hr/> <p>1 investment portfolio from range of 3 portfolios</p> <hr/> <p>Life Stage Model on Participating employer level</p> <hr/> <p>Basic/Core administration fee</p>	<p><b>Up to 3 categories for contribution rates</b></p> <hr/> <p><b>Up to 3 categories for risk benefits</b></p> <hr/> <p><b>Up to 5 investment portfolio from range of 10 portfolios (Reg 28)</b></p> <hr/> <p><b>Life Stage Model on member or participating employer level</b></p> <hr/> <p><b>Basic/Core administration fee, plus loading</b></p>	<p>Unlimited categories for contribution rates</p> <hr/> <p>Unlimited categories for risk benefits</p> <hr/> <p>Structured investments as per BOM strategy – Asset consultant MUST be appointed</p> <hr/> <p>Life Stage Model on member or participating employer level</p> <hr/> <p>Fund specific admin fee as per selected structure</p>

## FUND ADMINISTRATION

The Funds are administered by GQM Fund Administrators. GQM is a FSB approved and recognised fund administrator.

Other than the requirement to perform an annual fund audit, the Pension Funds Act does not currently prescribe the required controls for Umbrella Funds. GQM has however, always run their umbrella funds on a basis that would ensure absolute maintenance of proper records and controls.

The following are some of the controls put into place to ensure proper records and controls.

### Separate Accounting Records per Employer

A sub-bank account is maintained on behalf of each participating employer. The administrator is able to produce a Trial Balance, Cashbook, Ledgers and any other accounting reports on employer participating level.

### Cashflow Statements

Because of the above control GQM has always been able to provide each participating employer with a Cashflow Statement that reflects the flow of money. This allows for full disclosure of all and every transaction that runs through the employer sub bank account.

### Investments per employer

Although the master agreement with each asset manager is in the name of the Umbrella Fund, the assets for each participating employer is held in an Umbrella Fund sub account in the name of the participating employer. This ensures accurate management of the assets belonging to the members of each participating employer.

### Administration Reports

Each consultant and participating employer is provided with regular Administration Reports. These reports will provide inter alia, Cashflow Statements, Claims reports, member statistics and recons, contributions receipts and many more.

### Administration Manual

Each participating employer is provided with an Administration Manual which contains the different administration forms required, how these should be completed and procedures to be followed.

## Asset and Liability Matching

Each month the administration systems performs an asset and liability match on the fund by ensuring that the assets held with the asset manager balances to the active member shares of fund.

### Annual Audit

As per statutory requirement the fund is audited by an independent auditing firm once every year.

## Communication

The Galaxy Umbrella Funds have a documented Communication Policy which was drafted by the Fund Trustees. The Policy sets out the method of communication the fund must use to communicate with its stakeholders, including members. Some of the methods of communication used are:

- Member Booklet
- Member investment Communications
- Member Benefit Statements
- Administration Reports
- Legal & Technical Updates
- Internet Access

## FEES

With the Galaxy Umbrella Funds there is a complete segregation of services. All services providers are independent from the fund and fund administrator. Therefore there are no room for hidden costs as each provider earns its fee independent to that of the administration fee. *Fees paid from the fund is reflected on the Cashflow Statement.*

There is NO Switching fees (max 1 per annum) and NO transaction based fees. All administration fees include the cost for the independent trustees. *The administrator does not transfer administrative duties to the employer through the compulsory use of interface systems*

All Consulting Fees, Asset Management Fees, Asset Consulting Fees, etc. are quoted separate by each provider and are paid separate from the administration fee.

# BECOME A DOUGALL ELLIOTT ASSOCIATED BROKER

Interested in finding out more?

Contact Mr Warwick Elliott on

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## FUND DETAILS

### FSB PF Registration Numbers

Galaxy Umbrella Pension Fund – 12/8/38110

Galaxy Umbrella Provident Fund – 12/8/38111

### Registered address

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