



Overall changes in the November 2018 version of *The Fund in Detail* document

Aside from text refinements to improve readability and general updates, the main product changes from the previous edition have been summarised below. Please read this document in conjunction with the new version of *The Fund in Detail*.

The following changes have been made to the chapter on Group Insurance

Insurers	The board of trustees have approved the inclusion of ABSA Life as an alternate insurer for all new business with effect from 1 November 2018.
Life Insurance	The maximum age at entry is the earlier of the normal retirement age and the age of 65 years
Flexible Insurance	<ul style="list-style-type: none"> This option offers a selected level of compulsory Life insurance for all members and is only available to employers with a membership of at least 50 members (<i>Flexible Life Insurance does not apply to contract workers</i>). Additional flex choices will only be available to active members and not members in receipt of an income disability benefit. Proof of the registration of the marriage in accordance with the applicable Act must be provided
Income Disability Insurance	<p>Contract workers:</p> <p>The benefit will only be paid at the earlier of the end of the contract period, reaching normal retirement age or benefit cessation age.</p>
Critical Illness Insurance	A survival period of fourteen days will apply immediately after the date on which the critical illness was diagnosed. Should the member contract a critical illness and die before the end of the survival period, no critical illness benefit will be payable.
Conversion Option	<ul style="list-style-type: none"> When a member retires, withdraws from employment or reaches the benefit cessation age, he/she has the option to take out a similar individual policy (Life Insurance, Lump Sum Disability or Income Disability Insurance) with the Insurer, without having to provide medical evidence of good health. Conversion option will not apply to contract workers

The following changes have been made to the chapter on Underwriting Conditions for Group Insurance

Pre-existing Health Conditions	If existing underwritten business is taken over or there is an amendment such as an increase to an existing benefit, the entry date for the members is the date on which membership or the amendment commenced in respect of this benefit with the Insurers or with the previous Insurer commenced. Should any benefits change as a result of the take-over, amendment or increase in benefit, the smaller of the previous or the new benefit will apply.
Critical Illness	Replaced last paragraph on page 20 with: A critical illness claim will not be paid in respect of an employee, if he/she contracted that critical illness or would have qualified for a listed claim event for the applicable benefit option prior to: <ul style="list-style-type: none"> • Commencement of the employee's insurance with Sanlam, or • Take-over of existing employees' insurance by Sanlam that was previously insured in terms of a policy with another insurer.
Existing and Pending Disability Claimants	<ul style="list-style-type: none"> • These members are not eligible for additional disability or critical illness cover • While a member receives an income disability benefit, the contributions to the Fund remain payable to the Fund on the basis on which contributions were being made immediately before the date the member became disabled.

The following changes have been made to the chapter on In-Fund Preservation Members, Phased Retirees and In-Fund Living Annuitants

- In-Fund Living Annuitants - the following has been added to the conditions for changing draw down rates:
 - Members are only able to adjust their drawdown rates on 1 March of the year subsequent to being an In-Fund Living Annuitant for a minimum of 12 months.

The following changes have been made to all content in respect of investments

- **SIM Temperance Balanced Fund** has been added to the investment menu with effect from 1 November 2018.
 - The SIM Temperance Balanced Fund invests in a wide spectrum of investments in the equity, bonds, money and property markets in order to maximise total returns over the long term. It follows a principled investment approach and therefore excludes investments in entities linked with tobacco, alcohol, pornography, gambling, etc.

This portfolio is suitable for investors wishing to achieve a good investment return while simultaneously avoiding unnecessary stress emanating from financial markets. It requires a longer-term time horizon.

- Investment management fees:
 - On South African assets:
 - 0.60% per annum
 - On International assets:
 - 0.60% per annum on the portion invested via the total return swap
 - 0.85% per annum on the portion invested in foreign currency
- **PSG Balanced Fund** has been added to the investment menu with effect from 1 November 2018.
 - The PSG Balanced Fund is a pooled moderate-aggressive risk balanced portfolio managed on a market-linked basis. The objective is to achieve long term growth of capital and a reasonable level of income for investors.

This portfolio is suitable for investors wishing to achieve a good investment return while simultaneously avoiding unnecessary stress emanating from financial markets. It requires a longer-term time horizon.
 - Investment Management fees:
 - Investment management fee of 0.70% per annum
- The **Satrix (SWIX) Balanced Tracker Fund** has been renamed to **Satrix Enhanced Balanced Tracker Fund**.
- The **Sanlam Prudential Balanced Fund** has been renamed to **Sanlam Prudential Balanced Portfolio**.
- **The Most Aggressive Portfolio** has been renamed to **Sanlam The Most Aggressive Portfolio**.
- “Closed portfolios - not available to new investors” has changed to “Closed portfolios - not available to new employers”

The following changes have been made to the chapter on Glacier Retirement Fund Solution

Minimum requirements to invest via Glacier have changed:

- Minimum annual pensionable salary of R600 000 and
- A minimum monthly contribution of R7 500

With effect from 01 January 2019, the Glacier administration fees will be as per the table below:

	Rate (excl. VAT)
On the first R750 000	0.47%
On the next R200 000	0.32%
On the next R4 000 000	0.22%
Thereafter	0.17%
Minimum administration fee	R80.00 per month (excl. VAT)
Additional Administration fee on the value of a share portfolio	Up to 0.15% (excl. VAT)

The following changes have been made to the chapter on Operating Expenses

Risk management fees	Sanlam levies a Risk Management fee by way of a 5% loading within the Insurers' quoted insurance premiums for providing risk management services required to ensure the ongoing sound actuarial management of the Fund's risk pool. In the case of Sub-funds comprising 400 or more members, a reduced 2.5% loading applies.
Contingency reserve account levy	The Contingency Reserve Account Levy is currently R3.00 for each Sub-fund per member per month including VAT which will be recovered from their member share.
Annual Revision date	1 April

The following changes have been made to the chapter on Communication

- **Retirement Optimisation Services** changed to **"Individual Member Support"**
- **ROS** changed to **"Individual Member Support"**
- **ROS pro service** changed to **"Pro-counselling service"**

The following changes have been made to the chapter on New Business Terms and Conditions

Membership Data and Details:

"Who are contract workers - *subject to risk policy conditions*"

Customer Due Diligence

In order to meet the regulatory compliance requirements in line with the FIC Amendment Act 2017, Sanlam is obligated to identify and verify all persons and entities they interact with. This is in response to anti-money laundering, countering of financing of terrorism, anti-bribery corruption and anti-tax avoidance. Sanlam reserves the right to cease doing business with a customer if any of the obligations in terms of the FIC Amendment Act, 2017 and other customer due diligence requirements are not met.

To meet these requirements, all new participating employers of the Sanlam Umbrella Fund are obligated to provide the most updated documentation verifying ownership of the entity. Following the screening of these participating employers if the need arises for further investigation we could ask for any additional information such as confirmation of beneficial owners.

The following changes have been to the chapter on General Fund Information

Compliance contact details have been updated:

The Compliance Office
Sanlam Corporate Compliance
PO Box 1
Sanlamhof
7532
Email: sebcompliance@sanlam.co.za