

Changes in the March 2019 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 chapters relating to Group Insurance

Group insurance	Change
Accident Insurance	The maximum benefit available will increase to R3 400 000 with effect from 1 April 2019
Family Funeral Insurance	The cover amount selection will increase to R6 000 up to R65 000 with effect from 1 April 2019
Burial Repatriation Insurance	Burial Repatriation <u>Service</u>
Lump Sum Disability Insurance	The maximum benefit available will increase to the lesser of 8x annual salary and R11 000 000 with effect from 1 April 2019
Income Disability Insurance	For Alternative 2 & 3: <ul style="list-style-type: none"> - The monthly income limit will be increased to R210 000 per month with effect from 1 April 2019 - The employer premium waiver maximum will increase to R54 000 1 April 2019
Critical Illness Insurance	The maximum cover available is the lesser of 3 x annual salary and R2 400 000 with effect from 1 April 2019
Maximum Income after Disablement	Aggregate will increase to R510 000 with effect from 1 April 2019
Critical Illness Insurance	Aggregate will increase to R6 300 000 with effect from 1 April 2019

Take-over of Existing Benefits has been reworded to:

“If an employer was part of a larger associated group/employer/company at a previous Insurer and breaks away from the association/employer/company or an umbrella arrangement where one free cover limit applied for all participating employers, the Insurers will not automatically take over existing benefits and cover if the new group is substantially different from the larger associated/employer/company group.

The Insurer’s normal underwriting conditions may be applied as for new business.”

The following changes have been made to chapters relating to Individual Membership:

NOTE: The chapter “In-Fund Preservation Members, Phased Retirees and In-Fund Living Annuitants” is now referred to as “Individual Membership”

The Sanlam Umbrella Fund options for Individual membership once a member has left the service of his/her employer has been amended to accommodate the requirements of Default regulations and the Income Tax Act, these updates include:

- If a member has left employment and has not provided the Fund with a written instruction for the payment of his/her benefit within 6 months of leaving employment, he/she will be defaulted into the Fund's preservation strategy which is Sanlam Lifestage.

- A member of a pension fund or provident fund may, with effect from 1 March 2019, transfer his/her retirement benefit to a preservation fund. The single withdrawal applicable to preservation funds will however not apply to such a retirement benefit transferred to a preservation fund.
- The Trustees of the Sanlam Umbrella Fund have endorsed two In-Fund Living Annuity Options, i.e. the Trustee-endorsed In-Fund Living Annuity and the Extended Range In-Fund Living Annuity.
- The Trustees have also endorsed an Out of Fund Guaranteed Annuity.

For more detail, please refer to chapter 6: Individual Membership in *The Fund in Detail*.

The following changes have been made to chapters relating to Investments:

SMM Select Balanced Fund has been added to the trustee approved investment menu

Description:

The SMM Select Balanced Fund is a multi-managed fund of fund. The fund aims to achieve stable income and capital growth by investing in a balanced and diversified portfolio of collective investments, which in turn invests in sectors or shares with sound growth potential. It is suitable for investors who have a long-term investment horizon and who are willing to accept short-term volatility to maximise the potential long-term growth.

- Investment management fees:
 - 0.95% per annum on for the first R100m
 - 0.90% per annum on for the first R150m
 - 0.85% per annum on the portion of assets between R100m - R250m
 - 0.75% per annum on the portion of assets between R250m - R500m
 - 0.65% per annum on the portion of assets above R1bn

Satrix Enhanced Balanced Tracker Fund portfolio description updated

The fund's objective is to provide stable long-term investment income and capital growth. It provides market-related investment returns by investing primarily in equities, property, fixed-interest investments, cash and foreign assets. Each of the underlying asset classes, except cash, is managed on a passive basis – in other words - by tracking an underlying index. The "Enhanced" nature of the portfolio is derived from the ability of the portfolio manager to make use of derivatives and employ tactical asset allocation (within a predefined range) to enhance the performance of the fund relative to the performance of its strategic asset allocation benchmark.

Investment management fees introduction on pg 47 has been reworded to:

All Sub-funds are charged the investment management fees as detailed below per portfolio, and Sub-funds with large investments that have had a lower effective fee approved owing to their contribution towards economies of scale will be separately rebated for any savings due on a monthly basis.

The following changes have been made to the Chapter relating to Retirement Fund Web:

Retirement Fund Web is now referred to as the EB Portal

The following changes have been made to chapters relating to Roles of the Various Parties:

The following responsibility has been added under the role of the Participating Employer and Contracted Benefit consultant

Participating Employer:

To appoint a medical Correspondence person. This person will receive the personal health statement and the additional medical requirements for members who exceed the free cover limit or individual member limit, as well as all medical correspondence related to the members under the Sub-fund. This role could be performed by either the HR contact person or the Contracted Benefit Consultant.

Contracted Benefit Consultant:

To receive the personal health statements and the additional medical requirements for members who exceed the free cover limit or individual member limit, as well as all medical correspondence related to the members under the Sub-fund if the participating employer has nominated the Contracted Benefit Consultant as the Medical Correspondence Person.

The following changes have been made to General Fund Information:

- Freddy Muswede has been appointed as an Independent Trustee with effect from 1 January 2019. (Freddy Muswede has been appointed in place of Alex Patterson).
- Mandla Nkosi has been appointed as an alternate Trustee with effect from 1 January 2019.