

Changes in the August 2015 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 enhancements and changes have been made:

1. **The Optimal option was added:** the Fund now has 3 benefit design options; namely, Standard, Comprehensive and Optimal. For the introduction to the Optimal option, refer to page 1.

The following changes to the minimum requirements have been introduced:

1. **A minimum contribution rate** (member plus employer) for retirement benefits of 5% has been introduced (see page 4).
2. **Minimum requirements for employers to qualify for the Optimal option:** Optimal option is available to Sub-funds with greater than R5 million assets (see page 4).

The following addition to Investments has been made:

1. **The investment strategies** for the Optimal option was added (see page 6 for further details).

The following updates to Joint Forums have been added:

1. **Mini-funds were introduced:** Sub-funds comprising fewer than 50 members. Joint Forum meetings for these funds can take place either on a biennial basis or member representatives can attend Centralised Joint Forum meetings (see page 8).
2. **Centralised Joint Forum meetings:** this concept was introduced for member representatives of mini-funds. For more details see page 47.

The following addition to Insurers has been made:

1. **Sub-funds with 300 or more members** are allowed to request insurance from any insurer of their choice, provided that the insurer meets certain requirements (see page 11).

The following Investment Menu changes and additions have been implemented for the Comprehensive option:

1. **The Glacier sliding scale for minimum investment amounts changed:** there has been an increase in the tabled lump sum amounts in order to qualify to invest via Glacier. For full details see page 30.
2. **Comprehensive option:** the following portfolios in the External Single Manager Range have been closed to new investors (see page 31) –
 - Sanlam Allan Gray Domestic Balanced Portfolio
 - Sanlam Allan Gray Global Balanced Portfolio
 - Sanlam Coronation Houseview Portfolio
3. **The tailored default investment strategy and the tailored default lifestage strategy:** the additional asset based administration fee will be reduced to 0.05% per annum, excluding VAT, where greater than R100 million is invested in these strategies (see page 35).

4. **Comprehensive Plus:** the additional asset based administration fee will be reduced once the commitment of an average R100 million per additional portfolio has been achieved (see page 35).
5. **Institutional Implemented Consulting:** this section deals with very large Sub-funds that are allowed to devise their own investment solutions. For the full details see page 36.

The following Investment Menu addition has been implemented for the Optimal option:

1. **Sanlam Blue** is the trustee-approved default investment strategy for the Optimal option. Other options are available to members who are on the Optimal option. For full details, please see pages 37-38.

The following changes to administration fees and consulting fees have been made:

1. **Administration fees for the Standard and Comprehensive options:** will be deducted as a flat percentage of salary per member. Participating employers can choose to have the fees deducted as a flat Rand amount per member.
2. **Administration fees for the Optimal option:** fee is deducted as a flat percentage of member shares, excluding the Glacier platform. Please see page 39.
3. **Consulting fees for the Standard and Comprehensive options:** the agreed annualised amount is charged as a percentage of salaries or as a flat Rand amount per member per month. For full details please see page 40.
4. **Consulting fees for the Optimal option:** the agreed fee is deducted as a flat percentage of member shares, excluding the Glacier platform. Please see page 40.

The following addition has been made to Risk Management fees:

1. **In the case of Sub-funds comprising 300 or more members:** a reduced loading will apply from the 1 March 2016 annual revision date, or from commencement date for Sub-funds commencing on or after 1 August 2015. For more details see page 40.

The following changes were made to the Investment Management fees:

1. **Sanlam Multi-Manager International Multi-Manager Range:** the following portfolios were added as well as their associated fees (see page 42) –
 - Sanlam Lifestage Accumulation Portfolio
 - Sanlam Lifestage Capital Protection Portfolio
 - Sanlam Lifestage Inflation Linked Preservation Portfolio
 - Sanlam Lifestage Living Annuity Preservation Portfolio

The following addition was added to the Retirement Fund Web:

1. **Replacement Ratio Calculator:** this can be used by members to get an indication of the level of income they could receive at retirement based on their accumulated savings and contribution rates. For full details see page 49.

The following additional role was added for Contracted Benefit Consultants:

1. **In the case of Mini-funds:** it is the responsibility of Contracted Benefit Consultants to ensure that member representatives are invited to Centralise Joint Forum meetings held in the region and to encourage member representatives to attend these meetings (see page 53).