

**KENNIS GESKIED HIERMEE DAT DIE ALGEMENE JAARVERGADERING VAN DIE LEDE VAN TRANSMED
MEDIËSE FONDS OP WOENSDAG, 25 JUNIE 2025 OM 13:00 BY DIE IRENE COUNTRY LODGE
(AUTOGRAPH COLLECTION-HOTELLE), NELLMAPIUSWEG, IRENE, GAUTENG, SAL PLAASVIND.**

DIE SAKE WAT OORWEEG SAL WORD, VERSKYN IN DIE ONDERSTAANDE AGENDA.

AGENDA

1. Openingsformaliteite
2. Bevestiging van die notule van die Algemene Jaarvergadering gehou op Woensdag, 31 Julie 2024
3. Sake voortspruitend uit die notule
4. Jaarlikse Finansiële Hoogtepunte van 2024
5. Aanstelling van die Ouditeure
6. Jaarlikse verhoging in Trusteefoioie
7. Bespreking van mosies ontvang van lede
8. Aanstelling van Trustees

KENNISGEWING

Mosies wat tydens die Algemene Jaarvergadering bespreek moet word, moet die Sekretaris nie later as sewe dae voor die vergadering bereik nie en moet:

- na 011 403 1740 gefaks word; of
- per e-pos by fundmanagement@transmed.co.za ingedien word.

BELANGRIK

Registrasie van die lede van die Fonds wat die vergadering bywoon, sal 45 minute voor die aanvang van die vergadering geskied. Lede moet hulself identifiseer deur hul lidmaatskapkaarte aan die registrasiepersoneel te toon.

MINUTES OF THE ANNUAL GENERAL MEETING OF THE TRANSMED MEDICAL FUND HELD ON WEDNESDAY, 31 JULY 2024 AT 13:00 AT THE LAGOON BEACH HOTEL & SPA, 1 LAGOON GATE DRIVE, LAGOON BEACH, MILNERTON, CAPE TOWN

PRESENT

- Mr B Jonker (Chairperson)
- Mr PL Wassermann (Principal Officer)
- Mr E Weyers (Secretary)

1. OPENING FORMALITIES

The Principal Officer informed the attendees that according to protocol there was no quorum required for this Annual General Meeting (AGM), as the previous AGM a month before on 26 June 2024 had been postponed because a quorum had not been registered for the meeting. In terms of the rules of the Fund, another AGM was convened, as approved by the Board of Trustees, and the members present would form the quorum.

The Fund therefore fulfilled the formalities of ensuring that the AGM was properly constituted.

2. CONFIRMATION OF THE MINUTES OF THE AGM HELD ON WEDNESDAY, 2 August 2023

The minutes of the previous meeting were approved with no amendments. A motion for the approval was supported by Ms L Laurence and seconded by Ms S Booysen.

3. MATTERS ARISING

There were no matters arising from the previous minutes.

The Principal Officer stated that he would address the National Health Insurance Bill under item 4 of the Annual Financial Highlights.

The members were asked whether there were any matters that they wanted to raise from the minutes; no responses were recorded from any of the members attending the AGM.

The Chairperson then handed the proceedings over to the Principal Officer to address the members at the AGM.

4. ANNUAL FINANCIAL HIGHLIGHTS 2023

The Principal Officer stated that he would deal with certain salient matters in terms of the financial highlights that were distributed to all members of the Fund. The Principal Officer highlighted the following items:

4.1 NATIONAL HEALTH INSURANCE (NHI) BILL

The Principal Officer stated that members would be aware of the NHI Bill that was signed by the President of the country recently. However, there was a lot of criticism in terms of the NHI Bill and the drafting of the Bill. It was not that the country did not want the NHI Bill, but that there were certain loopholes and members would recall that in the media coverage the NHI Bill had received a lot of criticism. He cited as an example that there was no provision for benefits for pregnant women – this having been an omission in the NHI Bill and it would be the government's responsibility to ensure that all aspects in terms of benefits were covered before the Bill was signed and promulgated.

Another issue was the financing of the NHI, which was also widely addressed in the media. Where the financing of the NHI would come from was still debatable and South Africa did not have the money to cover the cost of the NHI.

Several legal challenges had already been made against the NHI Bill, and many sections of the NHI Bill would be challenged, which could delay the implementation of the NHI Bill.

The Principal Officer gave the members at the AGM the comfort that their medical benefits within the Fund would be secured and would not immediately be affected by the NHI Bill.

MINUTES OF THE ANNUAL GENERAL MEETING OF THE TRANSMED MEDICAL FUND HELD ON WEDNESDAY, 31 JULY 2024 AT 13:00 AT THE LAGOON BEACH HOTEL & SPA, 1 LAGOON GATE DRIVE, LAGOON BEACH, MILNERTON, CAPE TOWN (CONTINUED)

4. ANNUAL FINANCIAL HIGHLIGHTS 2023 (CONTINUED)

4.2 CHANGES IN POLICIES

The Principal Officer stated that he had to inform the members that the Fund had changed its policies with regard to the change in financial reporting standards the Fund adhered to in the past in terms of a directive from the governing body, the Council for Medical Schemes (CMS). For the financial year, the Fund had to start reporting in terms of the IFRS 17 code requirements. IFRS stood for International Financial Reporting Standards.

In terms of that change in policy, the Fund was directed to implement IFRS 17 during the 2023 financial year. This was the year the Fund was reporting on. These changes were:

The Fund was now viewed as an insurance contract provider and would in future report its financials as an insurance provider. This meant that there were terminology changes. An example of this was reflected on page 10, item 4.2. Members would note that the Fund did not refer to 'Accumulated Funds', but to 'Insurance contract liability to future members'. This was merely a financial terminology change.

This illustrated that the Fund must in future report as an insurance provider and not as a medical Fund.

4.3 THE SOLVENCY RATIO

The Principal Officer highlighted to the members that the solvency ratio had increased from 2022 to 2023 from 17.7% to 23.79%.

The Fund made surpluses in the 2023 financial year. He continued by stating that the 23.79% was below the 25% requirements of the CMS so that the Fund remained under financial watch; however, in terms of the Fund's business plan that was submitted for the 2024, 2025 and 2026 financial years, the Fund should be compliant from the 2025 financial year onwards.

CMS accepted this and the Fund was still regarded as a going concern.

4.4 THE FUND AS A GOING CONCERN

The Principal Officer stated that it was very important that members take note that the Board of Trustees had assessed the feasibility and future of the Fund and determined that the Fund was a going concern based on the following:

- available cash and investments
- Transnet SOC Ltd's funding of the SATS risk pool
- the Trustees' business plan
- the Fund's reserve ratio.

An actuarial model provided by the Fund's actuaries indicated that the Fund would be a going concern.

The Principal Officer continued by stating that, even with the most negative assumptions, the risk profile model indicated that the Fund would remain a going concern for the financial year 2024. As the audit was done in the year 2023, the auditors required comfort that the Fund would be a going concern in the next financial year, which was 2024.

4.5 NON-COMPLIANCE MATTERS

The Principal Officer stated that he had to disclose the non-compliance matters to the members at the AGM and the corrective action that had been taken in these matters. These were the following:

1. Self-supporting plans

The Principal Officer indicated to the members at the AGM that, according to legislation, all plans had to be self-supporting. That meant that you could not have a plan that was running at a loss. The Fund had two plans running at a loss, namely the Prime Plan and the Guardian Plan. The Prime Plan, due to the very specific nature of that plan, was running at huge losses.

MINUTES OF THE ANNUAL GENERAL MEETING OF THE TRANSMED MEDICAL FUND HELD ON WEDNESDAY, 31 JULY 2024 AT 13:00 AT THE LAGOON BEACH HOTEL & SPA, 1 LAGOON GATE DRIVE, LAGOON BEACH, MILNERTON, CAPE TOWN (CONTINUED)

4. ANNUAL FINANCIAL HIGHLIGHTS 2023 (CONTINUED)

4.5 NON-COMPLIANCE MATTERS (CONTINUED)

If the Fund should close the plan, it would have a big impact on the Fund and therefore the CMS accepted that the Fund would run the Prime Plan at a loss.

The Guardian Plan was not mentioned specifically, but that was due to the guarantee given by Transnet to retain the risk pool at 25% reserve level.

2. *The reserve ratio*

The Principal Officer stated that, as described previously, legislation prescribed the reserve level to be at the required 25% level required by the CMS. In terms of this the Fund had an approved business plan, as submitted to the CMS, to bring the Fund back to the reserve ratio level of 25% and because of this the Fund could continue as a going concern. The Principal Officer also stated that the Fund was meeting all the targets that were set out in the plan that was submitted to the CMS.

3. *Payment of claims within 30 days*

The Principal Officer informed members that legislation prescribed payment of claims within 30 days once claims had been received. Despite the volume of claims the Fund received and processed and the strict legal requirements the Fund had to adhere to in terms of claims processing, the number of claims that were not process within 30 days was minimal.

If members could not make a payment, the claim would be rejected, feedback given to the provider and the 30 days extended for a further 30 days until the claim could be dealt with.

Such claims were minimal and there were usually valid reasons for non-payment. The Fund put in controls to prevent this from happening again in future; however, due to the volume of claims, this was a recurring annual problem.

4. *Outstanding contributions*

The collection of contributions is inherent to the nature of the business and, because contributions were collected for working members from salaries via employers and for pensioners from the pension fund, the Fund did not always receive contributions within the three days specified in the Act. The Act specified that the Fund was obliged to 'collect the contribution within three days after it becomes due'. The due date was the last day of each month and contributions had to be received three days after that date. However, the Fund sometimes only received contributions from employers around the fourth, fifth or seventh days of the month.

The Fund had ongoing communication with Transnet regarding the matter and, more importantly, the Fund applied to CMS annually and obtained exemption from the three-day contribution rule. As a result, the Fund had exemption from this rule. This was formal and within the powers of the CMS where they could grant exemption from a non-compliance matter. Therefore, members had the comfort of knowing that the Fund had exemption in terms of this non-compliance matter.

4.6 STATEMENT OF FINANCIAL POSITION (BALANCE SHEET)

The Principal Officer highlighted the changes, as referred to previously in terms of the IFRS 17 adjustment. The Fund therefore had to include the 2022 IFRS 17-adjusted closing balances to ensure that the Fund reflected the correct line-item opening balances for 2023.

Members would note from this that the assets of the Fund increased from R117 million to R161 million from 2022 to 2023 and that this reflected the surplus the Fund made during the 2023 financial year.

4.7 STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

The Principal Officer highlighted the profit of R31 million in comparison to 2022 when the Fund had a deficit of R15 million, which reflected a turnaround of R45 million achieved by the Fund.

MINUTES OF THE ANNUAL GENERAL MEETING OF THE TRANSMED MEDICAL FUND HELD ON WEDNESDAY, 31 JULY 2024 AT 13:00 AT THE LAGOON BEACH HOTEL & SPA, 1 LAGOON GATE DRIVE, LAGOON BEACH, MILNERTON, CAPE TOWN (CONTINUED)

4. ANNUAL FINANCIAL HIGHLIGHTS 2023 (CONTINUED)

4.7 STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

The Principal Officer asked the members present whether they had any questions about the financials, as presented to them, and since no questions were raised by any members present, it could be recorded that the financials were disclosed to the members, and they took note of the financial position of the Fund.

5. APPOINTMENT OF AUDITORS

The Auditors (Messrs Deloitte & Touche) were appointed as Auditors for the 2024 financial year by the Board of Trustees.

6. ANNUAL TRUSTEE FEE INCREASE

The proposed annual Trustee fee increase was tabled for consideration.

Thereafter all members of the Fund that were present were given the opportunity to vote on the proposed increase of 5%. After all the votes were cast and counted the members attending the AGM approved the Trustee fee increase of 5%.

7. DISCUSSION OF MOTIONS RECEIVED THAT WERE TABLED AT THE AGM

The Principal Officer told the members that no motions were received from members for discussion at the AGM.

8. TRUSTEE APPOINTMENTS

The Principal Officer referred members to paragraph 2 in the Annual Financial Statements, which reflected the resignations and appointments of Trustees during the past year (2023). He stated that under 'Employer and Labour-nominated Trustees' there were no changes during the financial year and that all Trustees under this heading remained the same.

Two of the Fund's Member-elected Trustees passed away during 2022 and the Fund held an election during 2023 that was concluded in May 2023 with the appointment of the new Trustees, Mr JJ Groenewald and Mr LJ Ngaka, who filled the vacancies of the two deceased Trustees from 1 July 2023.

9. GENERAL

The Chairperson opened the floor for informal discussions of a general nature. The Principal Officer was able to deal with all other matters raised to the satisfaction of the members.

10. CLOSURE

There being no further business for discussion, the Chairperson thanked the members for their attendance and closed the meeting.

CHAIRPERSON

DATE

TRANSMED MEDICAL FUND
(Registration number: 1582)

ANNUAL FINANCIAL HIGHLIGHTS 2024
REPORT OF THE BOARD OF TRUSTEES
For the year ended 31 December 2024

The financial highlights document is a summary of the audited Financial Statements and, as such, is presented in less detail than the audited Financial Statements. For a better understanding of Transmed Medical Fund's financial position and the results of its operations, the financial highlights information should be read in conjunction with the Fund's audited Financial Statements of the corresponding year, which include all disclosures required by the relevant financial reporting framework. A complete set of the Financial Statements is available on written request from the Fund at its registered postal address.

The Board of Trustees hereby presents its annual report for the year ended 31 December 2024.

1. DESCRIPTION OF THE MEDICAL FUND

1.1 TERMS OF REGISTRATION

The Fund is a not-for-profit, restricted medical fund registered in terms of the Medical Schemes Act, 131 of 1998 (the Act), as amended.

1.2 BENEFIT PLANS WITHIN TRANSMED MEDICAL FUND

The Fund offers the following benefit plans to employees and pensioners of Transnet SOC Ltd and its subsidiaries:

- Guardian;
- Link;
- Select; and
- Prime.

2. MANAGEMENT

2.1 BOARD OF TRUSTEES IN OFFICE DURING THE YEAR UNDER REVIEW AND AT THE DATE OF THIS REPORT:

Employer and Labour-nominated Trustees

Mr HF Fourie	
Mr F Mackenzie	Vice-Chairperson
Ms JM Phokane	
Mr V Ramlugaan	
Mr L Siwani	
Ms C Sophete	

Member-elected Trustees

Mr C Beard	
Ms S Booysen	
Mr JJ Groenewald	
Mr B Jonker	Chairperson
Mr F Mabaso	
Mr LJ Ngaka	

2.2 PRINCIPAL OFFICER

Mr PL Wassermann

1 st Floor Eagle Canyon Office Park	PO Box 32043
C/o Dolfyn and Christiaan de Wet Streets	Braamfontein
Randpark Ridge	2017
Randburg	
2169	

TRANSMED MEDICAL FUND
(Registration number: 1582)

ANNUAL FINANCIAL HIGHLIGHTS 2024
REPORT OF THE BOARD OF TRUSTEES
For the year ended 31 December 2024 (continued)

2. MANAGEMENT (CONTINUED)

2.3 REGISTERED OFFICE ADDRESS AND POSTAL ADDRESS

1 st Floor Eagle Canyon Office Park C/o Dolfyn and Christiaan de Wet Streets Randpark Ridge Randburg 2169	PO Box 32043 Braamfontein 2017
--	--------------------------------------

2.4 FUND ADMINISTRATOR

Momentum Health Solutions (Pty) Ltd

Parc du Cap Mispel Road Bellville 7530	Parc du Cap Mispel Road Bellville 7530
---	---

Council for Medical Schemes accreditation number: 13

2.5 MANAGED CARE PROVIDERS

Momentum Health Solutions (Pty) Ltd

Parc du Cap Mispel Road Bellville 7530	Parc du Cap Mispel Road Bellville 7530
---	---

Council for Medical Schemes accreditation number: 59

Universal Healthcare (Pty) Ltd

Universal House 15 Tambach Road Sunninghill Park Sandton 2128	PO Box 1411 Rivonia 2128
---	--------------------------------

Council for Medical Schemes accreditation number: MCO 17

2.6 INVESTMENT MANAGER

Ninety One SA (Pty) Ltd

36 Hans Strijdom Avenue
Foreshore
Cape Town
8001

Financial services provider number: 587

2.7 ACTUARIES

NMG Consultants and Actuaries (Pty) Ltd

Belvedere Office Park Block B Pasita Street Tyger Valley 7536	PO Box 3950 Tyger Valley 7536
---	-------------------------------------

TRANSMED MEDICAL FUND
(Registration number: 1582)

ANNUAL FINANCIAL HIGHLIGHTS 2024
REPORT OF THE BOARD OF TRUSTEES
For the year ended 31 December 2024 (continued)

2. MANAGEMENT (CONTINUED)

2.8 AUDITOR

Deloitte & Touche

5 Magwa Crescent
Waterfall City
Midrand
2066

Private Bag X6
Gallo Manor
2052

3. INVESTMENT STRATEGY OF THE FUND

The Fund's investment objectives are to maximise the return on its investments on a long-term basis at minimal risk. The investment strategy takes into consideration both constraints imposed by legislation and those imposed by the Board of Trustees.

The Board of Trustees ensures that:

- the Fund remains solvent;
- investments are placed at minimum risk and at the best possible rate of return;
- investments made are in compliance with the Regulations of the Act; and
- a risk assessment is performed with feedback to the Board of Trustees with recommendations on the risks identified.

During 2024 the Fund invested in money-market instruments, which included bonds and cash instruments. This was done mainly to ensure that the Fund had sufficient liquidity available.

The Fund's policy is reviewed annually, taking into consideration compliance with the Act and the risk and returns of the various investment instruments and the surplus of funds available.

4. REVIEW OF THE FINANCIAL YEAR'S ACTIVITIES

4.1 RESULTS OF OPERATIONS

Working member and pensioner (WMP) risk pool

The Trustees have implemented the actions stipulated in the business plan in order to increase the reserve ratio of the WMP risk pool to reach the required 25%.

The WMP risk pool consists of three plans: Link plan, Select plan and Prime plan. Both the Link and Select plans exceeded budget expectations at year end.

The risk profile of the risk pool deteriorated further during the year, partially as a result of the implementation of a revised subsidy structure by the employer, which has an ongoing impact on the risk pool. The revised subsidy structure allows members to belong to other open medical schemes, as approved by the employer. The strategic plan of the Fund is to attract new members to the risk pool in order to improve the risk profile.

The reserve ratio for WMP increased from 19.43% at 31 December 2023 to 22.92% at 31 December 2024.

The Trustees believe that the risk pool will remain solvent and will build reserves during the 2025 benefit year.

South African Transport Services (SATS) pensioner risk pool

Transnet SOC Ltd will continue to fund this risk pool.

TRANSMED MEDICAL FUND
 (Registration number: 1582)

ANNUAL FINANCIAL HIGHLIGHTS 2024
REPORT OF THE BOARD OF TRUSTEES
For the year ended 31 December 2024 (continued)

4. REVIEW OF THE FINANCIAL YEAR'S ACTIVITIES (CONTINUED)

4.1 RESULTS OF OPERATIONS (CONTINUED)

The SATS risk pool's reserve ratio increased from 34.20% at 31 December 2023 to 35.50% at 31 December 2024. This increase is mainly due to a favourable claims experience in comparison to budget.

Transnet SOC Ltd remains committed to funding the SATS risk pool to the reserve level required by the Act.

The Fund

The results of the Fund are set out in the Annual Financial Statements. The reserve ratio increased from 23.79% at the end of December 2023 to 26.65% at the end of December 2024. Due to the fact that the Fund's reserve ratio remained below the required level of 25% for the first 11 months of the year, the Fund is currently under financial monitoring by the Council for Medical Schemes (CMS). The Fund has regular interactions with the CMS and constantly keeps the CMS informed of developments at the Fund.

4.2 SOLVENCY RATIO

	2024	2023
	R	R
Insurance contract liability to future members	132 122 471	126 926 295
Less:		
Unrealised gains on financial assets at fair value through profit or loss	(89 654)	(56 977)
Accumulated funds per regulation 29	<u>132 032 817</u>	<u>126 869 318</u>
Annual insurance revenue	495 373 351	533 218 229
Accumulated funds ratio	<u>26.65%</u>	<u>23.79%</u>

4.3 GOING CONCERN

The Board of Trustees considers the Fund to be a going concern. The Board took the following into consideration in the evaluation of the Fund's going-concern status:

- Available cash and investments at the end of the year amounted to R163 422 375.
- Transnet SOC Ltd will be providing funding to ensure that the SATS risk pool maintains a reserve level of 25%.
- A business plan has been developed by the Trustees with the assistance of the Fund's actuary in order to get the Fund to a reserve level of 25%.
- It is expected that the Fund's reserve ratio will decrease from 26.65% at 31 December 2024 to 24.31% at 31 December 2025.
- An actuarial model was developed to assist the Trustees to consider the going-concern status of the Fund. Even with the most negative assumptions on membership movements and membership risk profiles, the model indicated that the Fund will be a going concern.

TRANSMED MEDICAL FUND ANNUAL GENERAL MEETING (AGM) – 25 JUNE 2025

Agenda item 4: Annual Financial Highlights 2024

TRANSMED MEDICAL FUND

(Registration number: 1582)

ANNUAL FINANCIAL HIGHLIGHTS 2024

REPORT OF THE BOARD OF TRUSTEES

For the year ended 31 December 2024 (continued)

4. REVIEW OF THE FINANCIAL YEAR'S ACTIVITIES (CONTINUED)

4.4 OPERATIONAL STATISTICS

	2024				
	Link	Select	Prime	Guardian	Total
Number of members at the end of the accounting period	1 308	7 010	142	3 375	11 835
Average number of members for the accounting period	1 370	7 456	162	3 614	12 601
Number of beneficiaries at the end of the accounting period	2 216	10 760	162	3 858	16 996
Average number of beneficiaries for the accounting period	2 346	11 524	188	4 129	18 187
Beneficiaries per member at 31 December	1.7	1.5	1.1	1.1	1.4
Average age of beneficiaries for the accounting period	51	53	77	82	60
Pensioner ratio (beneficiaries > 65 years)	37.7%	42.0%	87.7%	97.7%	54.5%
Average insurance revenue per member per month	R2 082.05	R3 261.81	R11 529.53	R3 387.07	R3 276.02
Average insurance revenue per beneficiary per month	R1 215.86	R2 110.38	R9 935.02	R2 964.61	R2 269.81
Average insurance service expenses per member per month	R1 847.53	R3 125.49	R16 090.31	R3 351.02	R3 218.15
Average insurance service expenses per beneficiary per month	R1 078.91	R2 022.18	R13 865.06	R2 933.05	R2 229.72
Average managed care services per member per month	R104.95	R76.79	R275.16	R133.03	R98.54
Average managed care services per beneficiary per month	R61.29	R49.68	R237.11	R116.44	R68.27
Average attributable administration and other expenses per member per month	R191.37	R192.49	R1 037.29	R647.81	R333.83
Average attributable administration and other expenses per beneficiary per month	R111.75	R124.54	R893.83	R567.01	R231.30
Managed care services as a percentage of insurance revenue	5%	2%	2%	4%	3%
Insurance service expenses as a percentage of insurance revenue	89%	96%	140%	99%	98%
Average attributable administration and other expenses as a percentage of insurance revenue	9%	6%	9%	19%	10%
Average accumulated funds per member at 31 December*	WMP = R9 449			R15 462	R11 164
Return on investments					9.51%

*Accumulated funds are measured for the two risk pools, WMP and SATS, and for the Fund as a whole, but not per benefit plan.

TRANSMED MEDICAL FUND ANNUAL GENERAL MEETING (AGM) – 25 JUNE 2025

Agenda item 4: Annual Financial Highlights 2024

TRANSMED MEDICAL FUND

(Registration number: 1582)

ANNUAL FINANCIAL HIGHLIGHTS 2024

REPORT OF THE BOARD OF TRUSTEES

For the year ended 31 December 2024 (continued)

4. REVIEW OF THE FINANCIAL YEAR'S ACTIVITIES (CONTINUED)

4.4 OPERATIONAL STATISTICS (CONTINUED)

	2023				
	Link	Select	Prime	Guardian	Total
Number of members at the end of the accounting period	1 443	8 067	197	3 859	13 566
Average number of members for the accounting period	1 505	8 476	233	4 137	14 352
Number of beneficiaries at the end of the accounting period	2 507	12 646	237	4 420	19 810
Average number of beneficiaries for the accounting period	2 635	13 430	282	4 739	24 118
Beneficiaries per member at 31 December	1.7	1.6	1.2	1.1	1.5
Average age of beneficiaries for the accounting period	49	51	75	80	58
Pensioner ratio (beneficiaries > 65 years)	36.5%	40.3%	85.2%	97.2%	53.0%
Average insurance revenue per member per month	R1 979.03	R3 057.37	R10 377.37	R3 172.27	R3 096.18
Average insurance revenue per beneficiary per month	R1 130.48	R1 929.75	R8 566.08	R2 769.18	R1 842.42
Average insurance service expenses per member per month	R1 586.02	R2 729.50	R13 125.28	R3 060.82	R2 873.78
Average insurance service expenses per beneficiary per month	R905.98	R1 722.80	R10 834.36	R2 671.89	R1 710.08
Average managed care services per member per month	R98.46	R72.19	R270.91	R125.53	R93.55
Average managed care services per beneficiary per month	R56.24	R45.57	R223.63	R109.58	R55.67
Average attributable administration and other expenses per member per month	R180.52	R175.72	R752.20	R587.19	R304.19
Average attributable administration and other expenses per beneficiary per month	R103.12	R110.91	R620.91	R512.58	R181.01
Managed care services as a percentage of insurance revenue	5%	2%	3%	4%	3%
Insurance service expenses as a percentage of insurance revenue	80%	89%	126%	96%	93%
Average attributable administration and other expenses as a percentage of insurance revenue	9%	6%	7%	19%	10%
Average accumulated funds per member at 31 December*	WMP = R7 525			R13 964	R9 356
Return on investments					9.10%

*Accumulated funds are measured for the two risk pools, WMP and SATS, and for the Fund as a whole, but not per benefit plan.

TRANSMED MEDICAL FUND
(Registration number: 1582)

ANNUAL FINANCIAL HIGHLIGHTS 2024
REPORT OF THE BOARD OF TRUSTEES
For the year ended 31 December 2024 (continued)

4. REVIEW OF THE FINANCIAL YEAR'S ACTIVITIES (CONTINUED)

4.5 LIABILITY FOR INCURRED CLAIMS (LIC)

The basis of calculation of the LIC is discussed in note 7 to the Annual Financial Statements and is consistent with the prior year. There have been no unusual movements that the Trustees believe should be brought to the attention of the members of the Fund.

5. ACTUARIAL SERVICES

The Fund's actuaries have been consulted in the determination of the contribution and benefit levels and provide regular reports to the Fund. Reporting also includes the LIC and risk adjustment (RA) calculation.

6. GUARANTEES RECEIVED BY THE FUND FROM A THIRD PARTY

No guarantees have been received by the Fund for the year ended 31 December 2024.

7. EVENTS AFTER REPORTING DATE

There have been no events that have occurred between the end of the accounting period and the date of the approval of these Annual Financial Statements that the Trustees consider should be brought to the attention of the members of the Fund.

8. INVESTMENTS IN AND LOANS TO PARTICIPATING EMPLOYERS OF MEMBERS OF THE MEDICAL FUND AND TO OTHER RELATED PARTIES

- The Fund holds no investments in participating employers of the Fund's members.
- Refer to the related-party disclosure in note 18 to the Annual Financial Statements.
- Trustee remuneration is disclosed in note 15.1 to the Annual Financial Statements.

9. MANAGEMENT OF INSURANCE RISK

The primary insurance activity carried by the Fund assumes the risk of loss from members and their dependants that are directly subject to the risk. The risk relates to the health of the Fund members. As such, the Fund is exposed to the uncertainty surrounding the timing and severity of claims under contract.

The Fund manages its insurance risk through benefit limits and sub-limits, approval procedures for transactions that involve pricing guidelines, pre-authorisation and case management and service provider profiling.

The Fund uses several methods to assess and monitor insurance risk exposures, both for individual types of risks insured and overall risks. The theory of probability is applied to pricing and provision for a portfolio of insurance contracts. The principal risk is that the frequency and severity of risk claims are greater than expected.

Insurance events are by their nature random and the actual number and size of events during any one year may vary from those estimated with established statistical techniques. There are no changes to assumptions used to measure insurance assets and liabilities that have a material effect on the Annual Financial Statements and there are no terms and conditions of insurance contracts that have a material effect on the amount, timing and uncertainty of the Fund's cash flows.

10. AUDIT COMMITTEE

The Audit Committee was established in accordance with the provisions of the Act. The Committee is mandated by the Board of Trustees by means of written terms of reference as to its membership, authority and duties. The Committee consists of five members of whom two are members of the Board of Trustees.

The majority of the members, including the Chairperson, are not officers of the Fund or its third-party Administrator. The Committee met on two occasions during the course of the year.

TRANSMED MEDICAL FUND
(Registration number: 1582)

ANNUAL FINANCIAL HIGHLIGHTS 2024
REPORT OF THE BOARD OF TRUSTEES
For the year ended 31 December 2024 (continued)

10. AUDIT COMMITTEE (CONTINUED)

The Principal Officer of the Fund, Momentum Health Solutions (Pty) Ltd management and the internal and external Auditors attend all Audit Committee meetings and have unrestricted access to the Chairperson of the Committee.

In accordance with the provisions of the Act, the primary responsibility of the Committee is to assist the Board of Trustees in carrying out its duties relating to the Fund's accounting policies, risk management, internal control systems and financial reporting practices. The internal and external Auditors formally report to the Committee on critical findings arising from audit activities.

The Committee presently comprises:

- Mr K Buthelezi (Chairperson)
- Mr G Hauptfleisch
- Mr V Ramlugaan
- Ms C Sophete
- Ms S Thomas

11. BOARD OF TRUSTEE COMMITTEE MEETINGS

11.1 MANAGEMENT COMMITTEE

The Management Committee is mandated by the Board of Trustees by means of written terms of reference as to its membership, authority and duties.

The Management Committee incorporates the functions and responsibilities in the following areas:

- financial and investment management;
- supplier management;
- marketing management; and
- managed care management.

11.2 BENEFITS COMMITTEE

The mandate of the Benefits Committee is to:

- make recommendations to the Board on the benefits that are offered to members; and
- ensure the long-term viability of the benefit plans.

11.3 REMUNERATION COMMITTEE

The mandate of the Remuneration Committee is to:

- appraise the annual performance of the employee of the Fund; and
- decide on an annual increase in the remuneration of the employee of the Fund.

11.4 EX GRATIA COMMITTEE

The Ex Gratia Committee approved applications to the value of R193 232 (2023: R131 078) for ex gratia assistance to members. Applications for assistance from members are evaluated against criteria approved by the Board from time to time.

12. NON-COMPLIANCE WITH MEDICAL SCHEMES ACT, 131 OF 1998

12.1 SELF-SUPPORTING PLANS

Nature and impact

In terms of Section 33(2) of the Act, benefit plans shall be self-supporting in terms of membership and financial performance. The Guardian and Prime plans recorded losses for the year ended 31 December 2024.

TRANSMED MEDICAL FUND
(Registration number: 1582)

ANNUAL FINANCIAL HIGHLIGHTS 2024
REPORT OF THE BOARD OF TRUSTEES
For the year ended 31 December 2024 (continued)

12. NON-COMPLIANCE WITH MEDICAL SCHEMES ACT, 131 OF 1998 (CONTINUED)

12.1 SELF-SUPPORTING PLANS (CONTINUED)

Causes for the failure

The loss on Guardian plan is mainly due to the reduced Transnet subsidy, which is intended to bring the plan closer to the 25% solvency requirement, while the Prime plan had an adverse, high-cost case experience in comparison to the prior year.

Corrective action

The Prime plan is not sustainable in the longer term on account of the following:

- the small and declining membership;
- the poor and rapidly deteriorating risk profile as a result of anti-selection;
- the poor value proposition that it offers; and
- the substantial operating losses being experienced on the plan.

In consultation with the CMS, it was agreed that consideration should be given to closing the plan once the plan membership falls below 500 lives and closure of the plan would not threaten the financial sustainability of the WMP risk pool. The Prime plan membership fell below 500 in November 2021. However, impact analyses carried out as part of the 2025 benefit review process for closing the Prime plan indicated that closing the Prime Plan at this time would result in the members of the WMP risk pool being substantially worse off. Taking this into account, the Trustees decided to (1) continue with the Prime plan for 2025, even though on a loss-making basis, and (2) to continue to monitor the plan closely with a view to closure when it makes financial sense to do so.

12.2 PAYMENT OF CLAIMS WITHIN 30 DAYS

Nature and impact

In terms of Section 59(2) of the Act, a member or provider claim should be settled within 30 days of submission. Instances were noted during sample testing where settlements took more than 30 days.

Causes for the failure

Delays can occur when accounts are referred for clinical audit or other investigations. These are, however, the exceptions and claims are generally paid within the prescribed time.

Corrective action

The Administrator is aware of the requirements and complies as far as possible. It is, however, an inherent part of the industry where a limited number of problematic claims may exceed the payment requirement of 30 days.

12.3 OUTSTANDING CONTRIBUTIONS

Nature and impact

In terms of Section 26(7) of the Act, contributions should be received in accordance with the rules of the Fund. Per the Fund rules, contributions are required to be received at least three days after their due date. Instances were noted where contributions were received late.

Causes for the failure

The reason for this is due to the inherent nature of the business.

Corrective action

Ongoing communication to employer groups has occurred and will continue.

TRANSMED MEDICAL FUND ANNUAL GENERAL MEETING (AGM) – 25 JUNE 2025
Agenda item 4: Annual Financial Highlights 2024

TRANSMED MEDICAL FUND
(Registration number: 1582)

ANNUAL FINANCIAL HIGHLIGHTS 2024
STATEMENT OF FINANCIAL POSITION
As at 31 December 2024

		2024 R	2023 R
	Notes		
ASSETS			
Non-current assets		90 921 578	73 794 491
Equipment		24 398	32 644
Financial assets at fair value through profit or loss	2	90 897 180	73 761 847
Current assets		72 813 989	88 063 877
Financial assets at fair value through profit or loss	2	69 739 922	83 329 740
Cash and cash equivalents	3	2 785 273	4 313 403
Trade and other receivables		288 794	420 734
Total assets		<u>163 735 567</u>	<u>161 858 368</u>
LIABILITIES			
Non-current liabilities			
Insurance contract liability to future members		111 575 344	124 334 322
Current liabilities		52 160 222	37 524 046
Insurance contract liability to current members		29 432 858	32 622 671
Insurance contract liability to future members		20 547 127	2 591 973
Trade and other payables		2 180 238	2 309 402
Total liabilities		<u>163 735 567</u>	<u>161 858 368</u>

TRANSMED MEDICAL FUND ANNUAL GENERAL MEETING (AGM) – 25 JUNE 2025
Agenda item 4: Annual Financial Highlights 2024

TRANSMED MEDICAL FUND
(Registration number: 1582)

ANNUAL FINANCIAL HIGHLIGHTS 2024
STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 31 December 2024

	2024	Restated
	R	2023
	R	R
Insurance revenue	495 373 351	533 218 229
Insurance service expenses	(486 623 346)	(494 952 535)
Claims incurred	(448 081 115)	(450 029 944)
Third-party claims recoveries	13 709	21 445
Accredited managed healthcare services (no transfer of risk)	(14 900 032)	(16 110 622)
Attributable expenses incurred	(31 455 775)	(33 969 548)
Changes that relate to past service – adjustments to the LIC	7 975 818	5 172 185
Net impairment loss on healthcare receivables*	(175 951)	(36 051)
Losses on onerous contracts and reversal of these losses	-	-
Insurance service result	8 750 005	38 265 694
Other income	15 465 775	13 089 961
Investment income	15 241 486	13 003 714
Sundry income	191 612	44 626
Unrealised gains on investments at fair value through profit or loss	32 677	41 621
Other expenditure	(19 019 604)	(20 144 122)
Administration fees and other operating expenses	(18 847 521)	(19 983 595)
Asset management fees	(172 083)	(150 127)
Sundry expenses	-	(10 400)
Profit for the year	5 196 176	31 211 533
Transfer to amounts attributable to future members**	(5 196 176)	(31 211 533)
Total comprehensive income for the year	-	-

*During their review of the 2023 Annual Financial Statements, the Council for Medical Schemes (CMS) directed the Fund to reallocate 'net impairment loss on healthcare receivables' to insurance service expenses. This resulted in a representation of the prior year-affected line item as follows: 'Net impairment loss on healthcare receivables' to the value of R175 951 (2023: R36 051) is now being disclosed as a separate line item under insurance service expenses.

**Circular 6 of 2025 issued by the CMS requires medical schemes to present 'Amounts attributable to future members' separately from the 'Insurance service expenses' and the 'Insurance service result'. This resulted in a representation of the prior year-affected line items as follows: 'Amounts attributable to future members' to the value of R5 196 176 (2023: R31 211 533) are now being disclosed as a separate line item on the Statement of comprehensive income before the 'Total comprehensive income for the year'. Insurance service expenses in accordance with IFRS 17 includes amounts attributable to future members. Total insurance service results after adjusting for amounts attributable to future members amount to R3 553 829 (2023: R7 054 161).

TRANSMED MEDICAL FUND
(Registration number: 1582)

ANNUAL FINANCIAL HIGHLIGHTS 2024
SELECTED NOTES TO THE ANNUAL FINANCIAL HIGHLIGHTS DOCUMENT
For the year ended 31 December 2024

1. PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies applied by the Fund have been listed in the Annual Financial Statements from pages 24 to 31 and are in accordance with IFRS® Accounting Standards. The Fund has adopted all of the new and revised Standards and Interpretations issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) of the IASB that are relevant to its operations and effective for the accounting period. These policies have been consistently applied to all years presented, except for changes required by the mandatory adoption of new, revised IFRS® Accounting Standards and changes in accounting policy.

2. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2024	2023
	R	R
Fair value of investments at the beginning of the year	157 091 587	114 807 226
Additions	301 060 000	295 895 000
Disposals	(312 290 000)	(266 055 000)
Capitalised interest	14 861 429	12 464 714
Realised and unrealised gain on financial assets at fair value through profit or loss	(46 768)	16 591
Management fees and transaction costs	(39 146)	(36 943)
	<u>160 637 102</u>	<u>157 091 587</u>
Fair value of investments at the end of the year	<u>160 637 102</u>	<u>157 091 587</u>
Total financial assets at fair value through profit or loss		
Non-current	90 897 180	73 761 847
Current	<u>69 739 922</u>	<u>83 329 740</u>
	<u>160 637 102</u>	<u>157 091 587</u>
Investments are summarised as follows:		
Money-market instruments	134 647 203	131 098 914
Bonds	<u>25 989 899</u>	<u>25 992 673</u>
	<u>160 637 102</u>	<u>157 091 587</u>

Financial assets at fair value through profit or loss consist of money-market instruments and bonds. A detailed register of investments is available for inspection at the registered office of the Fund. The maturity of the underlying instruments is disclosed on page 23 of the Financial Statements.

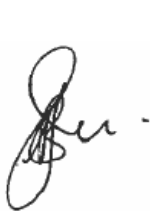
The weighted average interest rate received on the money-market portfolio was 9.51% (2023: 9.10%).

TRANSMED MEDICAL FUND
(Registration number: 1582)

ANNUAL FINANCIAL HIGHLIGHTS 2024
SELECTED NOTES TO THE ANNUAL FINANCIAL HIGHLIGHTS DOCUMENT
For the year ended 31 December 2024 (continued)

3. CASH AND CASH EQUIVALENTS	2024 R	2023 R
Current accounts	2 785 273	4 313 403
	<u>2 785 273</u>	<u>4 313 403</u>

The weighted average effective interest rate on the Fund's current accounts was 5.16% (2023: 5.13%). The carrying amounts of cash and cash equivalents approximate their fair values due to the short-term maturities of these assets.



B Jonker
CHAIRPERSON



F Mackenzie
VICE-CHAIRPERSON



PL Wassermann
PRINCIPAL OFFICER

TRANSMED MEDICAL FUND ANNUAL GENERAL MEETING (AGM) – 25 June 2025

Agenda item 6: Annual Trustee fee increase

Transmed's payment philosophy for the Board of Trustees and Committees is to remunerate Trustees and Committee members in line with the mean-market benchmark. Appropriate considerations are also applied to the current and future market conditions, as well as to the economics and challenges within the Fund in terms of affordability. An additional consideration is the onerous requirements from a governance oversight monitoring and regulatory perspective that needs to be factored into the deliberations.

Proposed Trustee remuneration for 2025/2026

Recommendation of the Trustee Remuneration Committee to the Transmed Medical Fund Annual General Meeting

The remuneration of the Trustees is determined and recommended by the Trustee Remuneration Committee. The members of the Trustee Remuneration Committee who determined the Trustee remuneration for 2025/2026 are Mr K Buthelezi (Chairperson), Mr F Mackenzie and Mr B Jonker.

In formulating its recommendation, the Committee considered:

- the Council for Medical Schemes' remuneration guidelines
- the Transmed Trustee Remuneration Policy
- economic data from Statistics South Africa (Stats SA)
- monetary policy and inflation projections from the South African Reserve Bank (SARB).

The South African Reserve Bank projects a decline in inflation from 4.4% in 2024 to 3.6% in 2025. However, SARB has highlighted that limited policy flexibility and prevailing global uncertainties, including market volatility and geopolitical risks, may limit opportunities for interest rate reductions.

According to Stats SA, annual consumer price inflation was recorded at 2.7% in March 2025, which is a decrease from 3.2% in February 2025. Month-on-month, the Consumer Price Index (CPI) rose by 0.4% in March 2025.

Recommendation to the Annual General Meeting

Based on the above considerations, the Trustee Remuneration Committee recommends a 4.0% increase across all Trustee fees for the 2025/2026 financial year, as reflected below.

Trustee fees

Annual retainer (paid quarterly)	2024/2025	2025/2026
	Current	4.0% proposed increase
Trustees	R32 957	R34 275
Chairperson of the Board	R51 685	R53 752
Board meeting attendance		
All Trustees	R6 867	R7 142
Committee meeting attendance		
Trustees	R4 120	R4 285
Chairperson of the Committee	R6 178	R6 425

Mr K Buthelezi
CHAIRPERSON: TRUSTEE REMUNERATION COMMITTEE

