

ALLANGRAY

**UMBRELLA
RETIREMENT FUND
MEMBER INFORMATION
BOOKLET**

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Allan Gray Umbrella Retirement Fund Member Information Booklet

This booklet summarises the benefits available to the members of the Allan Gray Umbrella Pension Fund (Registration No. 12/8/38164) and the Allan Gray Umbrella Provident Fund (Registration No. 12/8/38180), collectively referred to as the Allan Gray Umbrella Retirement Fund ('the Fund'). Please read this booklet to understand how the Fund works as well as what your options are when you leave the Fund. The Fund's Rules, which take precedence over this summary, are available from the Fund or from the Fund's administrator upon request.

IMPORTANT TERMS

- Allan Gray Investment Services Proprietary Limited, which is an approved pension fund administrator and an authorised administrative financial services provider, has been appointed as the Fund's administrator and will be referred to in this document as '**Allan Gray**'.
- Throughout this document the member, the person whose retirement savings are invested in the Fund, will be addressed as '**you**' or the '**Member**'.
- Your employer has set up a retirement benefit plan within the Fund for the benefit of its employees and this plan is referred to in this document as a '**Scheme**'.
- If you were a member of the Allan Gray Umbrella Provident Fund on 1 March 2021 or you were a member of another provident fund or provident preservation fund on 1 March 2021 and have transferred benefits from those funds to the Fund after that date, your benefit at that date, plus growth, is referred to as your '**harmonisation vested benefit**'. Any contributions to a retirement fund after 1 March 2021 but before 1 September 2024, plus growth, is referred to as your '**two-pot vested benefit**'. The value of these vested benefits will impact how much of your benefit you can take as a lump sum when you retire. Both the vested benefits will form part of your '**Vested Component**'.
- From 1 September 2024, your individual account in the Fund ('Investment Account') will consist of a '**Retirement Component**', a '**Savings Component**' and a '**Vested Component**', as may be applicable.

*It is possible to have more than one Investment Account. You may be an 'Active Member' in relation to the Investment Account into which your current employer is contributing. You may also be a non-contributing Member, referred to as a 'Paid-up Member', in relation to other Investment Accounts in the Fund set up through your previous employment with other employers who may have also participated in the Fund. You may also have more than one Investment Account for administration purposes, e.g. to separate the harmonisation vested benefit from the two-pot vested benefit.

ABOUT THE FUND AND ITS GOVERNANCE STRUCTURES

- The Allan Gray Umbrella Pension Fund and the Allan Gray Umbrella Provident Fund are separate legal entities governed by a board of trustees ('**Board**'), 50% of which is independent (not employed by Allan Gray Proprietary Limited). One of the Board's important roles is to protect the interests of all Members. The Board has governance procedures in place to fulfil its responsibilities. For more information on these governance procedures, please contact info@allangray.co.za.
- The Fund's purpose is to provide you with a benefit at retirement or, in the case of your death, to provide your dependants and/ or nominees with a benefit.
- The investment options made available to you by the Fund are investments in collective investment scheme portfolios ('**Unit Trusts**'), which are regulated in terms of the Collective Investment Schemes Control Act 45 of 2002, and life pooled portfolios, which are policies held by the Fund with long-term insurers, regulated in terms of the Long-term Insurance Act 52 of 1998. These investment options are collectively referred to as '**Investment Portfolios**'.
- The Fund invests your contributions in Investment Portfolios, which are owned by the Fund, until such time you elect to withdraw or retire, or your death benefit is allocated to your dependants and/or nominees. Units in the Investment Portfolios are held via a nominee company, Allan Gray Nominees (RF) Proprietary Limited.
- The Fund has contracted with specific insurance providers in order to offer life and lump sum disability insurance benefits to Members. If your employer has selected such benefits for its Scheme, a portion of your monthly contribution will be used to pay a premium to the relevant insurer.

HOW YOUR CONTRIBUTIONS ARE ALLOCATED AND INVESTED

- Your membership in the Fund is linked to your employment with your current employer who pays the contributions on your behalf. Your membership begins once Allan Gray has received your personal information and your first contribution or your benefit from your employer's previous retirement fund has been paid into the Fund's bank account.
- One-third of all your contributions to the Fund will be allocated to the Savings Component of your Investment Account and two-thirds of all your contributions will be allocated to the Retirement Component. However, if you were at least 55 years old and a member of the Allan Gray Umbrella Provident Fund on 1 March 2021 and you have not instructed the Fund that you want to allocate your contributions to the Savings and Retirement Components, in accordance with the Income Tax Act (referred to as an 'Excluded Member'), your total contributions will be allocated to the Vested Component of your Investment Account.
- The regulations under the Pension Funds Act 24 of 1956 (the 'Act') require the Board to offer Members appropriate 'Default Investment Portfolios', which are intended to make it easier for you to make choices that will lead to better retirement outcomes. A Default Investment Portfolio is an Investment Portfolio in which your retirement savings will automatically be invested unless you make your own investment decision. The Board has approved two 'Default Investment Strategies', one of which has been selected by your employer to apply to all of its employees.
- The Default Investment Strategies are designed to automatically place your retirement savings in Investment Portfolios that are appropriate for your age, relative to the retirement age determined by your employer. This is called 'Life-staging' and is intended to assist you in achieving an appropriate asset allocation in the years leading up to your retirement.
- For more information about Life-staging and the Default Investment Strategies, please visit the [Saving for your retirement in our Umbrella Retirement Fund](#) on www.allangray.co.za
- The contributions paid to the Fund on your behalf by your employer will be credited to your Investment Account.
- Your first contribution will be invested in the Default Investment Strategy your employer has selected. Thereafter, you will have the option of making your own investment selection by switching to another Board approved Default Investment Strategy, the Employer Preferred Portfolio (an alternative Investment Portfolio that your employer views as suitable and appropriate for its employees), if any, or one or more Investment Portfolios listed on the Allan Gray Umbrella Retirement Fund portfolio list. If you do not make your own investment selection, the Default Investment Strategy will continue to apply.
- The value of your Investment Account is directly linked to the market value of the underlying investments and is not guaranteed (i.e. the market value may move up or down). Past performance of the underlying investments is not necessarily a guide to future performance. Any movement in the market value of the Investment Portfolio(s) will apply proportionately to the Retirement Component, Savings Component and Vested Component.
- The Fund re-invests all dividends and interest earned in the investment Portfolio for your benefit.
- Unless otherwise stated in this Member Information Booklet, all monetary payments to and by the Fund are payable in South Africa, in South African rand.

UNDERSTANDING APPROVED RISK BENEFITS

- If your employer has elected to include approved risk benefits as part of the Scheme, you will be entitled to life insurance and, if applicable, lump sum disability insurance from the date on which you become a Member, provided that you are actively at work at that time.
- Approved risk benefits are provided as a result of a contract entered into between the Fund and a registered long-term insurer selected by your employer. When the insurer accepts a claim in terms of this contract, the benefit is paid to the Fund, which then credits it to your Investment Account. The total value of your Investment Account will then be paid to you in the event of your early retirement (refer to 'What happens when you retire?'), or to your dependants and/or nominees in the event of your death (refer to 'What happens following your death?').
- Premiums for risk benefits will be deducted from your contributions and paid over to the relevant insurer each month. The risk benefit cover will be calculated as a multiple of your annual salary, which will be determined by your employer. Information in relation to premiums and the cover to which you are entitled will show on your account statements and on your Allan Gray Online account.

- Premiums are calculated as a percentage of your salary and are subject to change by the insurer on an annual basis. Premiums may also change where benefits are amended by your employer and where factual information in relation to the membership of the Scheme changes materially. Any changes to premiums will be communicated to you in advance.
- If your employer fails to pay contributions to the Fund, your approved risk benefit cover may lapse.
- You will be entitled to cover within the limits determined by the insurer without having to provide proof of good health. However, if the cover you have qualified for exceeds the limit determined by the insurer ('free cover limit'), you will have to answer questions and provide medical proof of your good health to receive the additional cover. The free cover limits applicable to your Scheme are set out in the certificate of participation/policy schedule provided to your employer, which is available on request.
- Claims in respect of approved risk benefits must be submitted to the Fund within nine months of an employee's death (in respect of a death benefit) or six months of the last day on which the Member was actively at work (in respect of a lump sum disability benefit). No benefit will be paid if the insurer is not notified of the claim within the abovementioned time periods. The insurer may require the employer and/or the Member to submit additional information before considering a claim.
- No benefit will be paid if your death or permanent disability is a direct or indirect consequence of:
 - active participation in an act of terrorism, war, invasion, acts of foreign enemies, hostilities, warlike operations (whether war is declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power;
 - the use of nuclear, biological or chemical weapons, or any radioactive contamination; or
 - attacks on or sabotage of facilities (including, but not limited to, nuclear power plants, reprocessing plants, final repository sites and research reactors) and storage depots, which lead to the release of radioactivity or nuclear, biological or chemical warfare agents.
- No lump sum disability benefit will be paid if your permanent disability is:
 - a consequence of your active participation in criminal activity; or
 - self-inflicted, resulting from an attempted suicide or deliberate self-harm; refusing to seek and follow reasonable medical advice or treatment; driving when over the legal alcohol limit; taking drugs or poison; taking medication unless a qualified medical practitioner prescribes them; or deliberately or negligently exposing yourself to the risks and events that led to the claim, except where you attempt to save a human life.

WHAT HAPPENS TO MY APPROVED RISK COVER WHEN I LEAVE EMPLOYMENT OR REACH MY NORMAL RETIREMENT AGE?

- If your employer has elected to include approved risk benefits as part of the Scheme, you will be entitled to approved risk cover until your employment is terminated or until you reach the benefit cessation age determined by your employer.
- If your employer has elected to provide a conversion option as part of its Scheme, when you terminate your employment or continue employment after the benefit cessation age, you may convert your approved risk cover to a similar individual policy (life insurance or lump sum disability) with the applicable insurer, subject to limited underwriting requirements.
- You will have 1 month from your last day of employment (or, if you remain employed, from the date on which you reach your benefit cessation age) to notify the insurer that you want to take up the conversion option.
- The conversion option for life insurance is only available to Members who are younger than 65, while the conversion option for lump sum disability insurance is only available to Members who are younger than 60.
- If your employer elected to provide the conversion option on the Scheme after it joined the Fund, you may only take up the conversion option 6 months after the date that this benefit was added.

HOME LOAN GUARANTEES

- If you are an Active Member and your employer has elected to provide retirement fund-backed home loans as a benefit under the Scheme, you may apply to the bank selected by your employer for a loan. If granted and all the requirements of the bank and the Fund have been met, your Investment Account will be used as security for the loan.
- Subject to any requirements of the bank, you may only apply for a loan for one of the following purposes:
 - To buy a home or vacant land on which a home will be built;
 - To build a home, make additions or improvements, or structurally maintain or repair your home; or
 - To allocate to the deposit or the registration costs and fees of purchasing a home.

- The value of your loan will be subject to the minimums determined by the bank and may not exceed 50% of the value of your Investment Account on the date on which you apply for the loan.
- The bank will decide whether to grant you a loan based on its requirements.
- Once the loan has been granted, the Fund may make a deduction from your Investment Account to repay the amount due to the bank (and any costs or charges) when you:
 - Retire from the Fund or die;
 - Transfer your benefit to another retirement fund that does not provide home loan guarantees;
 - Terminate your membership of the Fund; or
 - Default on your loan repayments.
- Any deductions will be made from the Retirement, Savings and Vested Components proportionately and an additional amount may also be deducted to pay the tax due to the South African Revenue Service (SARS) as a result of the deduction.
- If you have a loan outstanding, the Fund may withhold any withdrawal benefit due to you in accordance with the Act.

WHAT ARE YOUR RIGHTS AND RESPONSIBILITIES?

Although your contributions are paid by your employer, as an individual Member you have rights and responsibilities, as set out below.

It is your responsibility to:

- Submit all instructions in the prescribed format. You must ensure that all information and supporting documents that Allan Gray receives from you are true, complete and accurate. Allan Gray may accept, suspend, delay, withdraw or reject your instruction under certain circumstances (e.g. where your instruction is incomplete).
- Make informed financial decisions, when reviewing your Investment Account, selecting Investment Portfolios and when terminating your membership in the Fund. Neither the Fund nor the Board nor Allan Gray may provide advice. If you require financial advice it is your responsibility to consult with the Scheme adviser appointed by your employer or an independent financial adviser of your choice. If you would like to appoint a financial adviser, you should submit a 'Financial adviser appointment / fee change' form. You can also change or remove a financial adviser that you have appointed.
- Select and monitor your Investment Portfolio(s), especially if you choose to opt out of the Default Investment Strategy or Life-staging, and ensure that your selection suits your circumstances, as your circumstances may change from time to time. A range of Investment Portfolios is available to you. Alternatively you can remain in the Default Investment Strategy, which will be reviewed by the Board on a regular basis.
- Nominate any natural person(s), trust(s) or legal entity(ies) that you would like the trustees to consider when they decide who will receive your benefit from the Fund on your death and to keep such nominations up to date (please refer to 'What happens following your death?' on page 8).
- Notify your employer (for Active Members) or Allan Gray (for Paid-up Members) if you are invested in the Default Investment Strategy and would like to delay your retirement date. If you delay your retirement date, Allan Gray will ensure that Life-staging is delayed to coincide with your intended retirement date. It is recommended that you provide notification before Life-staging begins, which is three years prior to the date determined by your employer and defined in the special rules as your 'Normal Retirement Age'.
- Notify the Fund of your decision to withdraw from the Savings Component of one or more of your Investment Accounts in the Fund by completing and submitting an instruction through your Allan Gray Online account.
- Notify the Fund of your election to retire from one or more of your Investment Accounts in the Fund by completing and submitting the 'Retirement notification' form. Please note that retirement from employment does not mean that you are required to retire from your Investment Account(s) or the Fund.
- Report errors within 14 days after you receive your investment confirmation or any statement.

You have the right to:

- Opt-out of the Default Investment Strategy at any time.
- Opt-out of Life-staging, but remain in the Investment Portfolios forming part of the Default Investment Strategy selected by your employer.

- Elect to participate in the two-pot system if you were a member of the Allan Gray Umbrella Provident Fund and you were 55 or older on 1 March 2021. If you do not elect to participate, you will be an Excluded Member, your total contributions will be allocated to the Vested Component and your Investment Account will not have a Retirement Component or a Savings Component.
- Make additional voluntary contributions to your Investment Account, which are optional and may be made over and above the contributions paid by your employer if you are an Active Member. These voluntary contributions are subject to any requirements set by the Board and need to be facilitated by your employer. One-third of all additional voluntary contributions will be allocated to the Savings Component of your Investment Account and the remaining two-thirds will be allocated to the Retirement Component, unless you are an Excluded Member, in which case your total additional voluntary contributions will be allocated to the Vested Component.
- Transfer your benefit from another registered retirement fund into the Fund, or transfer your benefit in the Fund to another approved retirement fund. All transfers are subject to the Fund Rules and requirements of the Fund, the rules and requirements of the transferring or receiving fund and any requirements of the regulatory authorities and legislation.
- Transfer the full value or a portion of your Savings Component and/or Vested Component to your Retirement Component of the same Investment Account.
- Preserve your investment in the Fund when your employment with your employer terminates, i.e. become a Paid-up Member.
- Access your withdrawal benefit from your Vested Component prior to your retirement when your employment with your employer terminates.
- Access one savings withdrawal benefit from your Savings Component in each tax year. A savings withdrawal benefit, in respect of each Investment Account:
 - May not exceed the total value of the Savings Component of the Investment Account on the date on which you elect to receive that benefit;
 - May not be less than R2 000 (or the amount determined by legislation and/or regulatory authorities from time to time), unless you are exiting the Fund and have already accessed one savings withdrawal benefit in the same tax year;
 - Will be taxed at your marginal income tax rate in accordance with the provisions of the Income Tax Act. In addition, SARS may instruct the Fund to deduct outstanding tax owing to them from the benefit before it is paid.
- View the Fund Rules and the audited annual financial statements at the Fund's registered office during office hours. Copies will be emailed to you on request.

WHAT CAN YOU NOT DO?

You may not:

- Cancel contributions already made to the Fund (i.e. ask for a refund).
- Transfer or pledge your benefit in an Investment Account to someone else (other than the Fund) as payment or security for your obligations to them (this also applies to a security cession in relation to a loan).
- Withdraw from your Retirement Component at any time, save as set out in legislation.
- Withdraw from your Vested Component if you are an Active Member.

WHAT HAPPENS WHEN YOU ARE A PAID-UP MEMBER?

You will automatically become a Paid-up Member when:

- Your employment is terminated due to resignation, dismissal, retrenchment or retirement.
- The Fund has not received any contributions for you for a period of six consecutive months and your employer has indicated that you have been absent from employment without consent during that time.

If you become a paid-up member on or after 1 March 2019, you will receive correspondence regarding what it means to be a Paid-up Member, including a paid-up membership certificate, which will set out the date on which you became paid-up and the market value of your Investment Account at that time, amongst other things.

Your benefit will remain in the Default Investment Strategy or your selected Investment Portfolio(s), as the case may be, which may be changed as and when you wish. If your benefit is invested in the Employer Preferred Portfolio, once you become a Paid-up Member, it will remain in that portfolio, but any changes that your former employer makes to the portfolio allocation of its Employer Preferred Portfolio will no longer apply to your investment. You will have the right to access your benefit at any time (i.e. you may transfer your benefit to another approved retirement fund or withdraw from your Vested Component and/or Savings Component according to the Fund's Rules and legislation). If you die before you access your benefit, the death claims process will be the same as outlined later in this Member Information Booklet.

WHAT HAPPENS IF YOUR EMPLOYMENT IS TERMINATED?

If you resign or are dismissed or retrenched prior to your Normal Retirement Age you may elect to:

- Remain in the Fund, in that way preserving your investment and allowing it to continue to grow;
- Transfer your investment to a preservation fund, your new employer's retirement fund, or a combination of such funds, provided the transfer is allowed in terms of legislation and the Fund Rules; or
- Withdraw the full value or a portion of the Vested Component of your Investment Account as a lump sum.
- Withdraw the full value or a portion of the Savings Component of your Investment Account if you have not already accessed a savings withdrawal benefit in that tax year. If you have accessed a savings withdrawal benefit in that tax year, you may be allowed to access a second benefit if the value of your Savings Component is less R2 000 (or the amount determined by legislation or regulatory authorities from time to time) and you meet the requirements set out in legislation.
- After any withdrawal, the balance of your Investment Account may remain in the Fund, or you may elect to transfer it, as explained.

The amount you are able to withdraw is the value of the Savings Component or Vested Component of your Investment Account, subject to the provisions of the Fund Rules. You may be liable for income tax on this amount, depending on tax legislation and directives applicable at that time.

Any withdrawal from the Vested Component will proportionately reduce the harmonisation vested benefit and two-pot vested benefit of your Vested Component. This may impact how much of your benefit you will be able to take as a lump sum when you retire.

The Fund will communicate with you before you make an election to transfer or withdraw your benefit, so that you understand what it means to be a Paid-up Member, how your benefit will be invested if you remain in the Default Investment Strategy and what your options are going forward.

If your employment is terminated on or after your Normal Retirement Age, you may elect to:

- Remain in the Fund, in that way preserving your investment and allowing it to grow;
- Retire from the Fund (please refer to 'What happens when you retire'); or
- Transfer your investment to a retirement annuity fund or a preservation fund.

It will take a minimum of 10 business days to finalise a withdrawal benefit, provided all requirements are met. Please note that the processing of a savings withdrawal benefit may be subject to further delays. If your employer has lodged a claim against you for compensation due to theft, fraud, misconduct or dishonesty, you have an outstanding home loan guaranteed by the Fund, or divorce or maintenance proceedings in which part of your benefits are claimed are pending, the Fund may withhold your benefit and will deduct the amount to be paid to your employer, the bank, or claimant in the divorce or maintenance proceedings, as the case may be, once a court order has been provided to the Fund. The Fund may also withhold your benefit for this reason on retirement or death. When making any deductions from your benefit to satisfy any of the above-mentioned claims, the Fund will apply to SARS for a directive and may be required to deduct an additional amount to satisfy the tax owing to SARS in respect of that deduction.

WHAT HAPPENS WHEN YOU RETIRE?

You may retire from any of your Investment Accounts at any date after:

- The Normal Retirement Age applicable to that Investment Account. This will be stated in the special rules applicable to the Scheme; or
- Your 55th birthday if you are a Paid-up Member or if you are an Active Member and your employer has confirmed that you may retire early.

You must notify Allan Gray of your retirement by submitting the 'Retirement notification' form.

If you become permanently disabled (due to an injury or illness), you may apply for early retirement (i.e. prior to your 55th birthday, if you are an Active Member, or prior to your Normal Retirement Age, if your employment was terminated prior to that date) by submitting the 'Request for approval of early retirement' form, together with the necessary supporting documents. The Board needs to approve your application for early retirement based on medical evidence obtained at your cost.

If you become permanently disabled while you are an Active Member and your employer elected to provide approved risk lump sum disability cover to its employees, you may be entitled to a lump sum disability benefit, which will be added to your retirement benefit. The value of the lump sum disability cover available to you is set out on your account statement and on your Allan Gray Online account. The addition of this approved risk lump sum disability benefit will be subject to the relevant insurer accepting the claim and any applicable waiting period determined by that insurer.

The retirement benefit is determined by the market value of the Investment Portfolio(s) underlying the Investment Account(s) from which you are retiring (including the Retirement, Savings and Vested Components), plus your lump sum disability benefit, if applicable, less fees and charges. You may be liable for income tax on any lump sum taken, depending on tax legislation and directives applicable at that time. If your investment is in Unit Trusts, you may request that the units of the Unit Trust(s) underlying the Investment Account(s) be transferred to an insurance provider ('Provider') from whom you are purchasing an annuity. This request is subject to the requirements and agreements of the Fund, Allan Gray and the Provider.

Regulation 39 under the Act compels the Board to establish an 'Annuity Strategy', which must comply with specific requirements. The Annuity Strategy sets out the manner in which your retirement savings may be applied so that you can purchase a post-retirement annuity product that may be suitable, appropriate and cost-effective. The Board has approved two annuities as part of its Annuity Strategy, each of which meets the requirements set out in Regulation 39. For more information on the Annuity Strategy, which will apply from 1 March 2019, please visit the [Saving for your retirement in our Umbrella Retirement Fund](#) page on www.allangray.co.za. The Fund will communicate with you at least three months before you reach your Normal Retirement Date and will assist you in determining whether one of the approved annuities is suitable and appropriate for you. However, selecting one of the Board approved annuities is optional and you may decide to invest in a different annuity with a provider of your choice.

At retirement, you can:

- Opt-in to one of the Board approved post-retirement annuities under the Annuity Strategy (if you retire on or after 1 March 2019);
- Use the full benefit to purchase an annuity of your choice from a provider of your choice;
- Take all or a part of the following amounts as a lump sum and purchase an annuity with the remaining value of the Investment Account(s):
 - the value of the Savings Component;
 - the value of the harmonisation vested benefit of the Vested Component; and/or
 - one-third of the two-pot vested benefit of the Vested Component; or
- Take the full value of the Investment Account(s) as a lump sum only if the amount to be used to purchase an annuity across all your Investment Accounts is less than or equal to R165 000 (or the amount determined by legislation or regulatory authorities from time to time). The amount to be used to purchase an annuity is the sum of:
 - 100% of the Retirement Component; and
 - two-thirds of the two-pot vested benefit of the Vested Component.

It will take a minimum of 10 business days to finalise your retirement and/or transfer, provided all requirements are met.

WHAT HAPPENS FOLLOWING YOUR DEATH?

Allan Gray must be notified of a Member's death in writing. The notification must include the personal details of the deceased Member, a copy of the death certificate and any other supporting documents that may be required or requested by the Fund or by Allan Gray. Allan Gray may also rely on other external sources to confirm your death.

Following receipt of the death notification, all the Investment Portfolios selected by the deceased are switched into the Allan Gray Money Market Fund. The death benefit is then the market value of all the Investment Accounts once all applicable fees and charges have been deducted. The Investment Portfolios are switched as soon as reasonably possible after the Fund has received the death notification.

If you die while you are an Active Member and your employer elected to provide approved life cover to its employees, the value of the approved risk life insurance benefit, for which you were covered, may be added to the value of your Investment Account(s). The value of the life insurance benefit available to you is set out on your account statement and on your Allan Gray Online account. The addition of this approved risk benefit will be subject to the relevant insurer accepting the claim.

Who receives your death benefit?

Legislation requires the Board to determine:

- Who your Dependents are;
- The allocation of the benefit to your Dependents and/or Nominees; or
- How the benefit is paid.

'Dependants', are defined in section 1 of the Act, as your spouse(s); children (irrespective of their age and including those legally adopted, or born out of wedlock); anyone proven to have been financially dependent on you at the time of your death; anyone legally entitled to maintenance from you; and anyone who would in future have become legally entitled to maintenance from you.

You are encouraged to nominate a person, trust or legal entity(ies) who you would like the Board to consider when allocating your death benefit (referred to as your '**Nominee(s)**'). You can change this nomination at any time by completing and signing a 'Change in details of nominees for retirement funds' form or by logging on to your Allan Gray Online account. You may also attach an explanation letter to your nomination form if there are any special factors that you would like the Board to take into account. If you have more than one Investment Account in the Fund, then your most recent nomination will apply to all your Investment Accounts in the Fund.

It is important to understand that the Act requires the Board to use its discretion when making an allocation of your death benefit equitably between your Dependents and Nominees (if they differ) based on need. Your nomination therefore does not guarantee that your Nominee(s) will receive all, or part of, your death benefit.

The Board will not consider any provision that you make in your Will regarding how your death benefit should be dealt with. It is therefore very important that you make sure that your nominations are submitted to the Fund. The Board is not obliged to accept any nomination signed by you if it is only received by the Fund after the date of your death.

The Board will conduct a full investigation to decide who will receive your death benefit. In terms of current legislation, your Dependents may be given preference in the allocation of your benefit.

In determining who will be paid the benefit, the Board must do the following:

- If you have only Dependents, or Dependents and Nominees (who are not Dependents), the Board must use its discretion when deciding who will receive the benefit according to section 37C (1) of the Act.

- If you have no Dependents, but you have notified the Fund of your Nominee(s) (who are not Dependents), the Board must establish if your estate has enough money to pay your debts. If there is not enough money, the Board must first allocate to your estate an amount from the benefit to cover these debts. The balance of the benefit will then be paid to your Nominee(s).
- If you have no Dependents or Nominees, the full benefit will be paid to your estate.

Those who receive a benefit, subject to the requirements of regulatory authorities and/or relevant legislation, have the option to:

- Purchase an annuity;
- Take a lump sum payment; or
- Take a combination of a lump sum payment and an annuity.

Lump sum payments will be reduced by any tax that may be payable, depending on tax legislation and directives (in the name of the deceased Member) applicable at that time.

WHAT CAN THE FUND DO THAT COULD AFFECT YOUR INVESTMENT?

- If an Investment Portfolio that you have chosen is no longer available or other circumstances require you to change your choice, Allan Gray will give you written notice that you must change your Investment Portfolio selection. If you do not select another investment option, the Fund will switch your investment out of the affected Investment Portfolio into the Default Investment Strategy selected by your employer.
- The Fund may amend the Fund Rules, which may impact the information in this Member Information Booklet. Allan Gray will notify you if the Fund Rules are amended. For the latest version of these documents please contact your employer, the Allan Gray Client Service Centre on 0860 000 654, or log on to your Allan Gray Online account.
- The Fund recovers fees that are directly related to the Investment Portfolios and the administration of your benefits from the underlying investments in your Investment Account.

WHAT ARE THE FUND'S RESPONSIBILITIES?

It is the Fund's responsibility to:

- Provide you with an annual benefit statement.
- Ensure that the Fund and your investments comply with legal investment limits (as prescribed by Regulation 28).
- Deduct premiums from the contributions paid by employers in respect of Schemes with approved risk cover and pay such premiums over to the relevant insurer.
- Provide one or more Default Investment Portfolios that meet the requirements of Regulation 37 and review its Board approved Default Investment Strategies on a regular basis.
- Request, within four months of you becoming a Member of the Fund, a list of your paid-up membership certificates from other retirement funds and enquire whether you want your retirement savings in those funds to be transferred to the Fund.
- Communicate with you before you elect to transfer or withdraw your benefit from the Fund and at least three months before you reach the retirement age determined by your employer, in order to ensure that you understand the Default Investment Strategy in which you are invested, what it means to be a Paid-up Member in the Fund and the details of the Annuity Strategy.
- Establish and maintain an Annuity Strategy that complies with Regulation 39.
- Submit claims to the relevant insurer in respect of Active Members who may be entitled to a lump sum disability or death benefit.
- Pay your benefits to you or, in the case of your death, to your Dependents or Nominees. Unless otherwise stated in this Member Information Booklet, all benefits are payable in South Africa, in South African rand, via electronic funds transfer only to a cheque or savings account. Benefits will only be paid into the bank account of a third party in the case of a death benefit and in certain other limited circumstances.
- Benefits payable to Members, Dependents and/or Nominees with Namibian bank accounts will be paid via Allan Gray Namibia (Pty) Ltd into that individual's bank account in Namibian dollars. Benefit payments of over R5 million will be paid directly to the individual's Namibian bank account via SWIFT.

- Maintain professional indemnity and fidelity insurance cover.
- Reinvest income distributions earned within an Investment Portfolio, net of applicable taxes, for your benefit.
- Deduct tax on any lump sum(s) taken, according to a tax directive, and pay any amount due over to SARS.
- Identify and trace your Dependents and Nominees in the event of your death and determine how your death benefit should be allocated, as explained above.

WHAT ARE ALLAN GRAY'S RESPONSIBILITIES AS THE ADMINISTRATOR?

As the appointed administrator of the Fund, it is Allan Gray's responsibility to:

- Administer your benefits in terms of the administration agreement between it and the Fund.
- Provide you with quarterly statements.
- Accept, reject, suspend or reverse your instructions where necessary.
- Process your instructions in a timely manner, according to the cut-off and processing times.
- Allocate bank interest earned on contributions deposited if it takes longer than 24 hours to start processing the contribution.
- Correct administrative errors as soon as reasonably possible after becoming aware of the error.
- Communicate with you and your employer. If you have an individually appointed financial adviser, you may select whether your financial adviser is to receive certain communications on your behalf.
- Confirm any changes to your Member details via email and via your Allan Gray Online account.

Processing of Personal Information

The Fund and Allan Gray require your personal information, as defined in the Protection of Personal Information Act 4 of 2013 ('POPIA') and any other relevant data protection legislation, to give effect to your rights and obligations as a Member of the Fund. On becoming a member of the Fund, you consent to the Fund and Allan Gray:

- Processing your personal information for the above purposes and any related purposes.
- Collecting your personal information from you directly, or, where applicable, from your employer, financial adviser, appointed agent, or any regulator, government department or other third party that may hold such information.
- Monitoring and/or recording telephone calls and electronic transactions with you (including the collection of your voice biometric data) in order to accurately carry out your instructions or those of your financial adviser; to assist in improving our services; and in the interest of security and crime prevention.
- Processing your personal information as may be required for ongoing servicing and the improvement of your experience as a Member of the Fund.
- Using your personal information to assess and improve our business or the business of, and services provided by, the Allan Gray Group of companies ('the Group'), as well as for operational, marketing, audit, legal and record-keeping purposes.
- Transmitting your personal information to third-party service providers for the purposes described above, and for the purposes of storing and maintaining your personal information.
- Transmitting your personal information to third-party service providers on your instruction or the instruction of your appointed financial adviser. Where information is transmitted to local or offshore service providers, the Fund and Allan Gray confirm that adequate measures are in place to ensure the protection of that information.

The Fund and Allan Gray confirm that they will always comply with relevant data protection legislation. Please refer to the **Retirement Funds Privacy Statement** for more information on your rights and obligations in relation to your personal information.

WHAT ARE THE FUND AND ALLAN GRAY NOT RESPONSIBLE FOR?

- Neither Allan Gray nor the Fund nor the Board may give financial advice.
- Allan Gray is not responsible for any delays in processing instructions as a result of reasons beyond its control.

- Neither Allan Gray nor the Fund nor the Board are responsible for any losses suffered due to:
 - Errors made by the manager of an Investment Portfolio
 - The investment or market risk of the underlying investments
 - Any approved risk benefit claims that are rejected by the relevant insurer
 - Changes in tax or other legislation
 - Your appointed financial advisers acting beyond the scope of their FSCA licences
 - Unauthorised instructions given to the Fund or Allan Gray by your financial adviser
 - The failure of any networks or electronic or mechanical devices
 - Allan Gray or the Fund providing the Scheme's appointed financial adviser with details about your investment either via telephone, email or a secure website
 - Allan Gray or the Fund acting on information received electronically from you or your employer or your financial adviser
 - Allan Gray or the Fund acting on incorrect information where you have failed to notify them of any changes to such information
 - The delayed sale of units in an Investment Portfolio due to **ring-fencing** or delayed payments due to liquidity constraints by the manager of an Investment Portfolio.

Ring-fencing is the separation and delayed sale of units in an Investment Portfolio. Large sales of units above a certain threshold may cause ring-fencing. This ensures that the sale of a large number of units will not force the investment manager to sell the underlying investments at a price in the market which could have a negative impact on remaining investors. The Fund may delay the payment or reinvestment of the proceeds of the sale of units.

WHAT ARE THE PROCESSING TIMELINES FOR TRANSACTIONS?

The cut-off time for receiving instructions, via a form or your online account, is 14:00 on a business day. Pricing takes place at the close of each business day which means that the price is only available on the following business day.

Buying, selling and switching units in Investment Portfolios administered by the same investment manager:

- If the instruction is received before the cut-off time and all requirements are met, the instruction will be processed on that business day and will receive the price of the following business day.
- If the instruction is received after the relevant cut-off time and all requirements are met, the instruction will be processed on the next business day and will receive the price of the business day after that.
- For a switch instruction into the Allan Gray Money Market Fund from any other Allan Gray unit trust, an extra business day will be required to complete the transaction and the investment into the Allan Gray Money Market Fund will receive the price of the second business day after the instruction started processing.

Switching Investment Portfolios administered by different investment managers:

These transactions normally take a maximum of seven business days to process.

| Timeline for instructions received before 14:00 on a business day | | | |
|---|--|---|----------------------------|
| Day 1 | Day 2 | Day 3 | Day 4 |
| Receive and process instruction. | Allan Gray sells units at the price at the close of the day. | Allan Gray receives money from the manager and pays it to the new manager to buy units. | Shows on Member statement. |

If the instruction is received after 14:00 on a business day, the timeline above will be delayed by one business day.

Note:

- Units will show on your statement one business day after the day on which the unit price is determined.
- When you make a withdrawal, the sale of the units will show on your Allan Gray Online account within four days but it may take longer for the payment to show in your bank account.

- If Allan Gray receives an instruction while another instruction is in progress, the second instruction may be delayed until the first is complete.
- Due to the nature of savings withdrawal benefits, the processing timelines for payment of these withdrawals may be delayed.

WHAT FEES AND CHARGES APPLY?

1. Administration fee

a. Active Member administration fees

The Active Member administration fee charged by Allan Gray is calculated as a percentage of the pensionable salary of each Active Member, as agreed on by the Member's employer. The Fund will deduct from each contribution an amount equal to the administration fee, which will be paid to Allan Gray.

b. Paid-up Member administration fees

Allan Gray calculates the annual administration fee percentages applicable to the Fund for a Paid-up Member's Investment Account monthly, using the Paid-up Member's average market value for the month across all local platform, offshore platform and offshore endowment investments (referred to as 'the average total investment value') linked to the investor number assigned to a Paid-up Member by Allan Gray.

Allan Gray calculates the annual administration fee percentages excluding value-added tax (VAT) by applying the following fee tiers to the Paid-up Member's average total investment value:

- A maximum of 0.5% on the first R1m
- 0.2% on the next R2m (i.e. to R3m)
- 0.1% on the next R7m (i.e. to R10m)
- 0.075% on the balance (i.e. above R10m)

If the Paid-up Member's average total investment value is less than R50 000, the annual administration fee percentages above will be replaced by a flat annual administration fee percentage of 1% (excluding VAT) for a Paid-up Member's Investment Account. This is not applicable if on 28 February 2023 a Paid-up Member had any Investment Accounts with Allan Gray that had a positive investment balance, an active debit order or a scheduled regular contribution.

Allan Gray calculates the annual administration fee to be deducted from the Fund for a Paid-up Member's Investment Account each month by converting the annual administration fee percentages to monthly figures and applying them to the average market value of a Paid-up Member's Investment Account for the month. The Fund will deduct the fee from a Paid-up Member's Investment Account on a monthly basis and pay it to Allan Gray.

2. Investment management fee

The manager of each underlying Investment Portfolio charges annual investment management fees. These fees vary per Investment Portfolio; they may be fixed or performance related. There are also other allowable expenses associated with Investment Portfolios. These fees and expenses are deducted within the Investment Portfolio, and are therefore accounted for in the Investment Portfolio's performance figures. Please refer to the relevant Investment Portfolio's factsheets and the list of available Investment Portfolios for more details.

3. Approved risk premiums

If your employer has elected to include approved risk benefits as part of the Scheme, the premiums determined by the applicable insurer will be deducted from each contribution.

4. Scheme adviser fee

Your employer may choose to appoint one or more Scheme advisers to provide advice relating to the Fund, the Default Investment Strategy and the Employer Preferred Portfolio, if applicable.

If your employer and the Scheme adviser(s) agree to a contribution-based Scheme adviser fee, the Fund will deduct the agreed fee amount from each contribution. The Fund will pay Allan Gray this amount and Allan Gray will pay an equal amount to the Scheme adviser.

If your employer and the Scheme adviser(s) agree to an ongoing asset-based Scheme adviser fee, the amount is deducted from your Investment Account once a month and is based on the average daily market value of your Investment Portfolios over the previous calendar month.

No Scheme adviser fees will be deducted for Paid-up Members.

5. Financial adviser fee

If you choose to appoint your own financial adviser, you and your adviser may agree on initial and annual financial advice fees. The Fund will deduct an amount equal to the initial financial advice fee from each contribution before it is invested and pay this to your financial adviser. Annual financial advice fees are deducted by selling units from your Investment Account.

6. Value-added tax (VAT)

Where VAT is levied on fees charged to the Fund, an amount to compensate for VAT will be added to the fees or charges recovered from your Investment Account. VAT may also be added to fees and charges which are not charged to the Fund directly.

Other charges

Additional charges that accrue to the Fund may also be recovered from your Investment Account as a result of a change in (but not limited to):

- The taxation basis or rate (including the introduction of a new tax);
- Legislation; or
- Practice or interpretation by any court, legislative or regulatory authority.

Changes in fees or charges

Allan Gray will give you three months' written notice when new fees are charged, when changes are made to the calculation basis for administration fees, or when investment management fees or Scheme adviser fees are increased. Allan Gray may give less than three months' written notice if, in its opinion, the circumstances of the change (for example a change in legislation) justify it. Neither Allan Gray nor the Fund has to notify you when your financial adviser fees are changed, as these fees must be agreed upon between you and your adviser.

Reporting of fees

Your quarterly statement will indicate the applicable fees for the period.

For more information about the fees and charges please contact your financial adviser or the Allan Gray Client Service Centre.

CONFLICTS OF INTEREST

If you wish to access the Allan Gray Conflict of Interest Management Policy, please contact our Client Service Centre or visit www.allangray.co.za for the latest version.

CONTACT DETAILS

The registered office of the Allan Gray Umbrella Pension Fund and the Allan Gray Umbrella Provident Fund and Allan Gray is:

Physical address:

1 Silo Square, V&A Waterfront, Cape Town 8001

Postal address:

PO Box 51605, V&A Waterfront, Cape Town 8002

T: 0860 000 654 or +27 (0)21 415 2301

E: info@allangray.co.za

W: www.allangray.co.za

ALLAN GRAY INVESTMENT SERVICES PROPRIETARY LIMITED'S VAT NUMBER

4080218318

COMPLAINTS

If you are not satisfied with any aspect of your membership of the Fund you can write to the Fund's principal officer at the address above. The Fund must respond in writing within 30 calendar days of receiving your complaint.

If you are not satisfied with the response or if no response is received within 30 calendar days after receipt of the complaint, you can contact the **Pension Funds Adjudicator** at:

Postal address:

The Pension Funds Adjudicator

P O Box 580, Menlyn 0063

T: 012 346 1738

F: 086 693 7472

E: enquiries@pfa.org.za

W: www.pfa.org.za

If you have a complaint about Allan Gray, as the Fund's administrator, or advice given by a financial adviser relating to your investments in the Fund, you can write to the **Ombud for Financial Services Providers** at:

Postal address:

The Ombud for Financial Services Providers

P O Box 41, Menlyn Park, 0063

Toll-free: 0860 324 766

E: info@faisombud.co.za

The Pension Funds Adjudicator and the Ombud have the legal power to investigate and make a ruling on a complaint in a fair economical and prompt manner.

ALLANGRAY

1 Silo Square
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8001
South Africa

P O Box 51605
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Client Service Centre

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