

THE ALLAN GRAY UMBRELLA RETIREMENT FUND: MEMBER INFORMATION

Your employer helps you save for retirement by choosing a retirement fund for staff to invest in. You become a member of the fund in your own name and understanding your investment will help you get the most out of it. The information below should help you to better understand the product. You are welcome to contact us if you need more information.

WHO IS ALLAN GRAY?

We are an investment manager with a track record of more than 40 years, focused on creating long-term wealth for our clients. Over the long term we have successfully delivered superior returns at lower-than-average risk of capital loss.

WHAT IS THE ALLAN GRAY UMBRELLA RETIREMENT FUND?

The Allan Gray Umbrella Retirement Fund is a retirement savings structure that allows multiple employers to use a single structure to help their employees save for retirement. This creates the benefit of scale resulting in lower costs for you as the member. The Fund provides the structure and tax benefits, while the investment return comes from the underlying investment portfolios.

LEARN MORE ABOUT YOUR INVESTMENT CHOICE

The growth of your investment depends on the underlying investment portfolio(s) that you invest in. Your employer has chosen an investment portfolio that they believe is best suited to you as an employee. If you feel that this does not meet your needs, Allan Gray gives you the flexibility to choose from a range of carefully selected investment portfolios. Keep in mind that your investment return comes from the underlying portfolio(s) you are invested in and this decision should therefore be taken with care. If you are unsure, you can speak to your employer's scheme adviser, if they use one, or to an independent financial adviser of your choice.

WHO LOOKS AFTER YOU?

- **The Fund's board of trustees** is responsible for making sure that the Umbrella Retirement Fund is well-run, including taking care of all governance and compliance duties. Their sole focus is protecting your interests as a member of the Fund.
- **Investment experts** from Allan Gray or your chosen manager look after your money and aim to provide you with the best possible return over time.

LEARN MORE ABOUT THE TAX BENEFITS OF YOUR INVESTMENT

As a member of the Fund a portion of your contribution is tax deductible, which means that it will decrease your taxable income. This portion is limited to the greater of 27.5% of your taxable income or remuneration, up to a maximum of R350 000 per year (you can carry any excess contributions over to the following tax year). In addition, you will not pay any tax on capital gains, interest, or dividends earned in the Fund.

RETIRING FROM THE FUND

You can retire from the Fund at/after the retirement age stipulated by your employer in your scheme's special rules. Keep in mind that retiring from an employer does not necessarily mean your working life has to come to an end, or that you need to withdraw your retirement savings straight away.

As an Allan Gray Umbrella Retirement Fund member, when you retire from your employer your retirement savings will remain invested with Allan Gray, and you can access your money at any point in the future. Leaving your money invested for a few extra years can significantly increase your income in retirement.

At retirement you can take a partial or full cash lump sum – depending on the rules of your Fund. The rest must be transferred to an income-providing product, such as a living or guaranteed annuity, to pay you an income in your retirement. All cash lump sum payments are subject to tax and it is important to be aware of how much tax you could pay.

KEEP YOUR CIRCLE OF DEPENDANTS UP TO DATE

It is important that you provide us with the details of your family circle and any other individuals who you support financially (dependants), as well as those you wish to nominate to receive part of the benefit when you die (nominees). Your personal circumstances may change from time to time, so you need to keep these details up to date. Legislation requires the board of trustees to find and identify anyone who may be dependent on you at the time of your death before deciding how to allocate your money, which they will do equitably between your dependants and your nominees, if they are different. The trustees can decide not to allocate any of the benefit to your nominees. To distribute your death benefit as fairly as possible it would help the trustees to understand why you have made your nominations. If there are any special factors that you would like the trustees to take into account, please attach a letter of explanation to your nomination.

WHAT HAPPENS IF YOU LEAVE YOUR EMPLOYER?

If you leave your employer due to resignation, retrenchment or dismissal, we will automatically preserve your investment for you so that it can continue to grow based on the performance of your underlying portfolio. Additional contributions will not be allowed into this investment. You will also have the option to take some or all of your savings in cash. However, any amount taken in cash will be subject to tax.

If you are no longer with your employer, you will be able to transfer your Allan Gray Umbrella Retirement Fund to another fund, subject to the rules of the receiving fund. We will not charge you any penalties for transferring.

NEED MORE INFORMATION?

Please contact your financial adviser, call our Client Service Centre on 0860 000 654 or email us at info@allangray.co.za. You can also visit www.allangray.co.za for more information.

Allan Gray Proprietary Limited, an authorised financial services provider, is the sponsor of the Allan Gray Umbrella Retirement Fund comprising of the Allan Gray Umbrella Pension Fund and the Allan Gray Umbrella Provident Fund ('the Fund'). The Fund is administered by Allan Gray Investment Services Proprietary Limited, an approved benefits administrator, in terms of section 13B of the Pension Funds Act.

The underlying investment options of the Fund are portfolios of Collective Investment Schemes in Securities (unit trusts or funds) and investment portfolios maintained by long-term insurers registered under the Long-Term Insurance Act 52 of 1998 (life pools). Unit trusts and life pools are generally medium- to long-term investments. The value of units may go down as well as up. Past performance is not necessarily a guide to future performance.

Allan Gray Life Limited ('Allan Gray Life'), a wholly owned subsidiary of Allan Gray Proprietary Limited, is a registered long-term insurer, with approval to enter into linked policies as defined in section 1 of the Long-Term Insurance Act, and is a licensed financial services provider. Allan Gray Life maintains and manages life pools which are made available by the Fund for investment by members. Allan Gray Life does not provide any guarantee regarding the capital or the performance of its investment portfolios. Investment portfolios are traded at ruling prices and can engage in borrowing and scrip lending.