

Your employer helps you save for retirement by choosing a retirement fund for you 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 is intended to help you to better understand your umbrella retirement fund investment.

### About 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 product 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 returns come from the underlying investment portfolios. When we refer to the Allan Gray Umbrella Retirement Fund ('the Fund') we are referring to the collective umbrella fund offering, which consists of the Allan Gray Umbrella Pension Fund and the Allan Gray Umbrella Provident Fund.

### Learn more about your investment choice

Your employer has chosen a default investment strategy believed to be suitable for most employees. Your contributions will be invested according to this strategy, which is designed to automatically direct your savings to portfolios appropriate for your stage of life. You can choose an alternative if you feel that this strategy is not suitable for you.

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 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 investment 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 your 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.

When you retire from your employer, your retirement savings can remain invested with Allan Gray for as long as you would like, and you can access your money at any point in the future. Leaving your money invested for a few extra years means that you can continue to benefit from compound growth, which can significantly increase your income in retirement.

When you decide to retire from the Fund, you can take a partial cash lump sum. The rest of your savings must be transferred to an income-providing product, such as a living or guaranteed annuity that can 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(s). Additional contributions will not be allowed into this investment. If you need to, you do have the option to take some or all of your savings as a cash lump sum. Any amount taken in cash will be subject to tax.

If you change employers you will be able to transfer your Allan Gray Umbrella Retirement Fund to another fund, subject to the rules of the receiving fund. There are no penalties for transferring.

#### **Need more information?**

Please contact your scheme appointed adviser or alternatively call our Client Service Centre on 0860 000 654 or email us at [info@allangray.co.za](mailto:info@allangray.co.za). You can also visit [www.allangray.co.za](http://www.allangray.co.za) for more information.