



## PRIME PRESERVATION PLAN – PRODUCT INFORMATION DOCUMENT

### Contents

1. Definitions .....	2
2. The rules .....	3
3. Important information relating to the Fund .....	3
4. Setting up and managing your investment account .....	5
5. Retirement .....	6
6. Two-component Retirement System .....	7
7. What we do for you? .....	8
8. What we don't do? .....	9
9. What Fees and Charges do you pay? .....	10
10. On death of the Member .....	11
11. Legislation which governs your Membership in the Fund .....	12
12. How does the Protection of Personal Information Act 4 of 2013 (POPIA) affect your investment? .....	12
13. Contact Details.....	13
14. Complaints.....	13

## 1. Definitions

### 1.1. Benefit

In relation to retirement funds, Benefit means any amount payable in terms of the rules of the retirement fund. A Benefit may be paid on withdrawal, retirement, or the death of the Member, and may be awarded to a non-Member spouse in the event of a divorce.

### 1.2. Beneficiary

A natural person nominated by the Member to receive a Benefit from the Fund in the event of the Member's death.

### 1.3. Business Day

A business day is any day other than a Saturday, Sunday or South African public holiday. Business is only conducted on Business Days.

### 1.4. Collective Investment Schemes Management Company (Manager)

A registered Manager of Collective Investment Schemes (or "CIS") in terms of the Collective Investment Schemes Control Act 45 of 2002.

### 1.5. Dependent

A person who in terms of the Act is regarded as your dependent and must be considered for a Benefit on your death, which includes your spouse, your children, any person who is financially dependent on you and any person to whom you must pay maintenance.

### 1.6. The Fund

The Prime Preservation Pension (Registration number: 12/8/37924) and Prime Preservation Provident (Registration number: 12/8/37926) Funds are legal entities, registered by the FSCA under the Act and in terms of the Income Tax Act.

### 1.7. Fund Rules

The rules of the Fund, approved by the regulatory authorities, are binding and govern your Membership, the management and operation of the Fund.

### 1.8. Financial Advisor

A representative of an authorised FSP, who is authorised to provide advice and/or intermediary services and who has been appointed in such capacity by the Member.

### 1.9. Financial Services Provider (FSP)

An entity authorised by the FSCA to provide financial services to Members in the form of advice and/or intermediary services.

### 1.10. Global Fund Administrators (Pty) Ltd (The Administrator)

Global Fund Administrators (Pty) Ltd, an approved retirement fund administrator, which has been appointed by the trustees to administer the Fund.

### 1.11. Independent Nominee

Global Nominees (Pty) Ltd is a nominee company approved by the FSCA in whose name assets of the Fund are held or such other nominee company, approved by the FSCA, in whose name assets of the Fund are held.

### 1.12. Investment Account

Your investment account is the account through which the Portfolios you select are administered. You will receive a unique investment number which identifies your investment account.

### 1.13. Investment Manager/s

Approved Financial Services Providers in terms of the Financial Advisory and Intermediary Services Act 37 of 2002, acting as the investment manager for one or more Portfolios offered on the investment platform.

### 1.14. Member (You)

The individual who has been accepted as a Member of the Fund and who is entitled to benefits in line with the Fund rules. Also referred to as you.

### 1.15. Minimum Disclosure Document(s) (MDD)

A document containing key information pertaining to a Portfolio.

### 1.16. Portfolio

Your chosen investment from the Portfolios available on the Portfolio List as amended from time to time.

### 1.17. Portfolio Supplement(s)

An addendum to this document containing relevant information pertaining to your elected Portfolio type.

### **1.18. Retirement Benefit Counseling**

Will be provided to you within 2 - 6 months prior to Retirement in the format determined by the Trustees.

### **1.19. Retirement Component**

Two-thirds of your total net contributions to the Fund, together with fund return

### **1.20. Retirement Funds**

This is any Fund registered in terms of the Pension Funds Act and approved in terms of the Income Tax Act, including a pension fund, provident fund, pension preservation fund and provident preservation fund; and any other fund from which the Fund is permitted by law and the Rules to receive transfers or to which the Fund is permitted by law and the Rules to transfer benefits.

### **1.21. The Trustees**

A board of trustees appointed by the Fund. The trustees are responsible for the management and control of the Fund and its operations, as well as the protection of Member interests, in accordance with the Fund rules and the relevant legislation.

### **1.22. Savings Component**

One-third of your total net retirement contributions to the Fund, together with fund return.

### **1.23. Tax Year**

Also known as year of assessment – this period runs from 1 March until 28 February

### **1.24. Trade**

The act or process of buying, selling, or exchanging stocks, bonds or currencies at either wholesale or retail, on the domestic or international market.

### **1.25. Unvested right**

Unvested right contributions are defined as:

- All contributions made to a Provident fund after 1 March 2021 for members 55 years or younger and the growth thereon; and
- All contributions made to a new Provident fund after transfer date, should a member 55 or older as at 1 March 2021 transfer to a new Provident fund after 1 March 2021 but prior to retirement age.

These contributions are not protected from annuitisation and therefore at least two-thirds of these contributions plus the growth earned on it will have to be used to purchase an annuity.

### **1.26. Vested Component**

The value of your existing retirement savings as at 31 August 2024, together with fund return, less 10% allocation to the Savings Component as set out more fully below.

### **1.27. Vested right**

All contributions to a Provident Fund before 1 March 2021 and any growth earned on these contributions are protected against annuitisation, thus 100% can be taken in cash at retirement age.

## **2. The rules**

The Fund rules are binding for the Fund, its Members, stakeholders and officers thereof. The Fund rules contain the provisions of all Member rights, obligations and benefits provided by the Fund. A copy of the most recent approved fund rules can be obtained on request.

## **3. Important information relating to the Fund**

### **3.1. Benefits that can be transferred to the Fund**

The following benefits may be transferred to the Fund, subject to the Fund rules and relevant legislation:

- A pension or provident fund Benefit can be transferred in the event of your resignation, retrenchment or dismissal from an employer that results in the termination of your Membership from the employer's pension or provident fund.
- A pension or provident fund Benefit from a pension or provident fund that has been wound up.
- A pension preservation fund Benefit or provident preservation fund Benefit, transferred at the request of the Member, or in the event of the winding up of the Fund.
- A Benefit received as part of a divorce settlement via an approved court order, which the recipient can elect to invest into the Fund.
- When a Member retires from a pension or provident fund, the Benefit payable to the Member can be transferred directly to the Fund. However it's important to note that in the event of a transfer of this nature, the Member will not be entitled to any lump sum

benefit prior to his/her retirement.

Investments may be processed in the form of a transfer of Portfolio units if you are investing into the same Portfolios in which you are currently invested within your approved retirement fund investment account, provided that the unit transfer is permitted by the transferring fund.

### **3.2. Tax Application**

Income tax will be deducted from any Benefit taken in cash before it is paid out to you, in accordance with income tax legislation. You will be provided with an income tax certificate to reflect any tax paid on your behalf. Any costs associated with this tax process will be deducted from the Member's Benefit.

The Fund is not subject to capital gains tax, interest income tax or dividends tax.

### **3.3. Transferring your Benefit from another preservation fund**

Should you transfer your full Benefit from a Preservation Provident fund, please take note of the Vested rights that are protected in terms of legislation as from 1 March 2021.

You may transfer your full Benefit from an approved preservation fund, subject to relevant legislation and if permitted by the rules of the Fund from which you wish to transfer. No initial financial advisor fees, initial administration fees or initial management fees may be charged on the transfer.

You must ensure that you understand the actual and possible implications, costs and consequences of transferring your investment. This instruction may be processed in the form of a transfer of Portfolio units if you are investing into the same investment Portfolios that you are currently invested in within your existing preservation fund investment account, provided that the unit transfer is permitted by the transferring fund.

### **3.4. Transferring your Benefit to another preservation fund**

Should you transfer your full Benefit to another Preservation Provident fund, please take note of the Vested rights that are protected in terms of legislation as from 1 March 2021.

You may transfer your full Benefit to an approved preservation fund, subject to relevant legislation and if permitted by the rules of the Fund to which you wish to transfer. Any annual administration fees, annual financial advisor fees and portfolio management fees owed will be deducted from the investment account before the transfer takes place. No financial advisor initial fees, initial administration fees or initial management fees may be charged on the transfer.

You must ensure that you understand the actual and possible implications, costs and consequences of transferring your investment. This instruction may be processed in the form of a transfer of Portfolio units if you are investing into the same Portfolios that you are currently invested in within your existing preservation fund investment account, provided that the unit transfer is permitted by the Fund to which you are transferring.

### **3.5. Treatment of your Benefit when transferring into the Preservation Provident Fund**

For new Members transferring into the Prime Preservation Provident Fund on or after the 1st of March 2021, who are not yet 55 years of age the following will apply:

- The portion of the transfer amount generated by contributions made before 1 March 2021 and growth on these contributions will be placed in a Investment Account. This Investment Account will be clearly denoted as the "Pre-March 2021" investment. Members will be able to identify this label on their investment statements.
- The portion of the transfer amount generated by contributions made after 1 March 2021 and growth on these contributions will be placed in a second separate Investment Account. This Investment Account will be clearly denoted as "Post-March 2021". Members will be able to identify this label on their investment statements.
- Operationally and contractually, these two Investment Account will be linked to each other and will be treated as one investment into the Fund.
- Moving forward Members can expect to receive two quarterly investment statements, one for the vested portion and the other for any potential unvested portion.
- Options at retirement for the:
  - "Pre-March 2021" Investment Account: Members can elect take the full amount in cash.
  - "Post-March 2021" Investment Account: Members can elect to take a maximum of one-third of the value out in cash, with the remainder used to purchase an annuity. However, if the value of this Investment Account is less than R 247 000, the Member can take the full value of the benefit in cash.

### **3.6. Termination of Relationship**

Should you, either personally or through a properly mandated FSP terminate the relationship with us as the administrative FSP, we will, subject to your wishes and depending on the nature of the financial product involved:

- (a) return your cash (if any) to the other FSP or yourself, as the case may be;
- (b) provide the other FSP or yourself, as the case may be, with a detailed final statement of account; and
- (c) issue an instruction to the independent nominee to either return your assets or documents of title in your name to the other FSP

or yourself, as the case may be, or to sell the relevant financial products and pay the realised amount to the other FSP or yourself; or (d) issue an instruction to the independent nominee to transfer the financial products into the name of an independent nominee of an administrative FSP specified by you: Provided that the written instruction in this regard is signed personally by you and is accompanied by written confirmation from you that you have received full disclosure of the relevant implications and costs and of incentives due to the other FSP as a result of the transfer.

### **3.7. Treatment of your Benefit in the event of your divorce**

In the event of your divorce a portion of your Benefit may be awarded to your spouse in terms of a court order and relevant legislation. The Benefit portion awarded will be realised at the time of divorce.

### **3.8. Ceding of your investment**

The right to benefits may not be ceded or pledged.

### **3.9. Cancellations and Cooling Off**

You may not cancel your Membership and no cooling-off period applies.

### **3.10. Guarantees**

The Fund does not guarantee the value of your Benefit, nor does it guarantee the performance of the Portfolios in your Investment Account. The market value of your Investment Account may fluctuate and past performance is not necessarily a guide to future performance. You carry the investment and market risk which includes the possibility of losing capital. The rules of the Fund will always prevail if any conflicts do arise.

## **4. Setting up and managing your investment account**

### **4.1. Obtaining financial advice**

Should you require financial advice, it is your responsibility to appoint a Financial Advisor and to negotiate the fees payable to him/her. Please note that in the absence of the appointment of a Financial Advisor, all information and Member documentation related to the Preservation Plan is available on our website.

### **4.2. Appointment of a Financial Advisor**

You may appoint a Financial Advisor, revoke the appointment or change advisors at any time by submitting an instruction in writing to the Administrator. Your Financial Advisor must be contracted with the Fund to sell the product. Your Financial Advisor will be informed should you revoke his/her appointment, and once the instruction has been processed no further fees will be paid to the Financial Advisor. You are not permitted to appoint a Financial Advisor who is not a representative of an authorised FSP and if he/she has not contracted with the Fund.

### **4.3. Providing dependent information and nominating beneficiaries**

You may nominate Beneficiaries and or Dependents to receive the Benefit on your death. It is important to keep your nomination up to date. Trustees are not obliged to act on your nomination, and must by law use their discretion when allocating a death Benefit, taking into account all your Dependents and Nominee elections.

### **4.4. Selection of investment portfolios/model portfolio**

When you become a Member of the Fund you will select the Portfolio that you wish to invest in. You may select any one or a combination of the Portfolios offered. It is important for you to monitor and review your selection on a regular basis, so that your investment continues to meet your financial needs.

Please refer to the latest Portfolio List available from your Financial Advisor for more information on the Portfolio range. The Portfolios available for selection at the time of your investment are subject to availability and may be closed at the discretion of the Fund.

### **4.5. Investment Phase-In**

You may elect to gradually invest your initial investment into your selected investment Portfolios from a Portfolio determined by you, by means of a fixed instalment phase-in over a 3, 6, 9 or 12 month period.

This option may be subject to the minimums applicable at the time of the transaction and may (in certain cases) not be offered via your on-line transactional platform(s).

You must ensure that there is sufficient assets in your Portfolios not used for Phase-in's.

Please refer to the relevant Portfolio Supplement(s) for any Portfolio applicable restrictions with regards to phase-in instructions.

### **4.6. Submitting instructions with the correct forms**

All the instructions which you submit must be completed on the latest investment forms. All forms are available online or from your appointed Financial Advisor.

### **4.7. Providing complete and accurate instructions/information**

All submitted instructions must be fully completed and accompanied by any required supporting documentation. You must ensure that

all the information provided within instructions and supporting documentation is true and accurate. The Administrator may only accept an instruction signed by your Financial Advisor if: he/she holds the required discretionary FAIS license; you have mandated him /her to transact on your behalf in the correct capacity; and said mandate has been provided to the Administrator.

**All instructions are subject to:**

- The requirements of the Fund, the Administrator, the manager(s), the investment manager (where applicable), and applicable legislation at the time of the transaction.
- The availability of the selected Portfolios.
- The minimum investment amounts specified by the Fund and the manager(s) as applicable at the time of the transaction.

**4.8. Income Distributions**

Portfolios may earn interest and dividends from the underlying assets. This is declared as an income distribution if the interest and dividends exceed the total Portfolio's expenses. If the total expenses are more than the income earned, the Portfolio will not make a distribution.

The distribution can be monthly, quarterly, bi-annually or annually depending on the Portfolio(s) you have selected and will be automatically reinvested.

Please refer to the relevant Portfolio Supplement(s) for any Portfolio specific information with regards to income distributions.

**4.9. Switching between investment portfolios/model portfolios**

You may switch to new portfolios or between your existing portfolios within your Investment Account. Your switch will not be processed if you select an Portfolio that is not available at the time of processing the instruction. Please note that should you request to switch an amount in excess of 90% of the value of your investment Portfolio, a unit switch will be processed.

In order for the switch to be processed a switch instruction form must be completed in full and submitted to the Administrator.

**4.10. Withdrawals prior to retirement**

You are entitled to one full or partial withdrawal prior to retirement, subject to legislative requirements and the Fund rules.

You may take a full Benefit (lump sum payment) when you emigrate from South Africa on the following conditions:

- The emigration is recognised by the South African Reserve Bank for the purposes of exchange control, or on repatriation when your work or visitor visa expires.
- If you can prove you have been a non-resident for tax purposes for an uninterrupted period of three years.

Please note that should you request to withdraw an amount in excess of 90% of the rand value of your investment portfolio, a percentage of the units withdrawal will be processed equivalent to the rand amount requested.

Tax due according to a tax directive issued by SARS with respect to the withdrawal, and any annual administration fees and annual financial advisor fees owed will be deducted from the withdrawal before it is paid out. It is important to understand the implications of taking a withdrawal Benefit, and any decision to do so should be made after consultation with your Financial Advisor.

**4.11. Information Requests**

We may request information from you from time to time to comply with legislation and to manage your investment efficiently. You are required to respond to these requests within the specified time period.

**4.12. Report Errors**

You have 14 days after the receipt of the transaction confirmation and/or Member statement to report any errors to the Administrator.

**4.13. Amendments to personal particulars and bank account details**

It is imperative that you inform us of any changes in your bank account, personal details or contact details. Please submit any changes by completing the change of details form available from your Financial Advisor and provide any necessary supporting documentation.

## 5. Retirement

**5.1. Eligibility**

You may request to retire from the Fund once you have reached the age of 55. It is important to understand the implications of doing so, and any decision to do so should be made after consultation with your Financial Advisor.

You may request an early retirement in the event of permanent disability. In this instance you will need to provide evidence of your permanent disability due to ill-health or injury, which the trustees will review and either grant or reject the request. Please complete a Retirement Form to request either a normal or early retirement.

**5.2. Retirement Benefit for Members that were 55 years and older on 1 March 2021 that have not elected to opt-in to the two-component system**

Your Retirement Benefit is the value of your investment at the time that the retirement request is processed, less any fees or charges. The following retirement Benefit options are available to Members of the Prime Preservation Provident Fund:

Age of Member	Options at Retirement
Members Younger than 55 Years on 1 March 2021	<ol style="list-style-type: none"> <li><b>Existing benefits prior to 1 March 2021 plus growth thereon “Vested Rights”:</b> Members can take up to 100% of Vested Rights in cash at retirement.</li> <li><b>New contributions on/after 1 March 2021 “Unvested Rights”:</b> Members will be required to use at least two-thirds of the “Unvested Rights” at retirement to purchase an annuity, which will provide them with an income in retirement, unless the Unvested Rights at Retirement amounts to R247 500 or less, or whatever this amount may be in future as stipulated in legislation – if the “Unvested Rights” amount to R247 500 or less, this can be taken in cash at retirement.</li> </ol>
Members Older than 55 Years on 1 March 2021 that stay in the same fund until retirement	<ol style="list-style-type: none"> <li><b>Benefits/Growth/ Contributions prior/on/ after while remaining in the existing fund “Vested Rights”:</b> Members can take up to 100% of Vested Rights in cash at retirement.</li> </ol>
Members Older than 55 years on 1 March 2021 that transfer to a new fund after 1 March 2021	<ol style="list-style-type: none"> <li><b>Existing benefits prior to 1 March 2021 plus growth thereon “Vested Rights”:</b> Members can take up to 100% of Vested Rights in cash at retirement.</li> <li><b>New contributions on/after 1 March 2021 to new fund “Unvested Rights”:</b> Members will be required to use at least two-thirds of the “Unvested Rights” at retirement to purchase an annuity, which will provide them with an income in retirement, unless the Unvested Rights at Retirement amounts to R247 500 or less, or whatever this amount may be in future as stipulated in legislation – if the “Unvested Rights” amount to R247 500 or less, this can be taken in cash at retirement.</li> </ol>

Tax will be deducted from the withdrawal before it is paid out according to a tax directive issued by SARS. The above is subject to the Rules and requirements of the Fund, the Administrator, and the insurer from which the Compulsory Annuity is purchased.

The cash portion of the Benefit will be reduced by any tax that may be payable as determined by SARS.

## 6. Two-component Retirement System

The new Two-component Retirement System is designed to provide you with both immediate financial flexibility and long-term security for your retirement. As from 1 September 2024, you will be able to access the Savings Component of your retirement savings. It is important to understand that withdrawing funds now will impact your retirement savings plan and could lead to you having far less when you are ready to retire. For this reason, we recommend reaching out to your appointed financial advisor first so that you can better understand the impact and how this new system affects you.

### 6.1. Members of provident funds that were 55 years and older on 1 March 2021

Any person, who is or was a member of a provident preservation fund and who was 55 years of age or older on 1 March 2021, can elect to contribute to the Savings Component within 12 months of 1 September 2024, in which case a one-off amount of 10 per cent of the Vested Component on the last day of the month in which the election was made, limited to R30 000, will be allocated to the Savings Component.

### 6.2. Members of provident funds that were 55 years and younger on 1 March 2021

The Two-Component System automatically applies to members of provident preservation funds who were 55 years and younger on 1 March 2021.

### 6.3. What is the Two-component System

The Two-component Retirement System enables you to access a portion of your retirement savings (before retirement) for emergencies. The bulk of the savings will remain “preserved”, meaning you will have to keep the majority of your retirement savings invested until you retire.

### 6.4. How does it work

Under the previous retirement system, your accumulated retirement savings were stored in what is called the “Vested Pot” up until the 31st of August 2024. Under the new Two-component Retirement System (effective 1 September 2024), these accumulated funds will be split into a “Savings Component” which you can access before retirement, and a “Retirement Component” which will preserve the majority of your funds for retirement. Each component is explained in more detail as follows:

- The Vested Component: the value of your accumulated retirement savings up to 31 August 2024 is called the Vested Pot. From the implementation date onwards, this component will not receive further contributions, but will remain invested in the retirement fund and any investment growth will still be credited to the component. All the rules that applied to your retirement investments (including those relating to accessibility and tax) prior to 1 September 2024 will continue to apply to this component. If you resign from your

employer, your vested right to access this component or have it transferred to a preservation fund is maintained.

- The Savings Component: As of 31 August 2024, a once-off compulsory transfer of 10% of your accumulated existing retirement savings (i.e. the Vested Component) will be transferred to the Savings Component as an opening balance. This transfer is capped at R30 000 per contract. From 1 September 2024, one third of your monthly retirement contributions will be transferred into the Savings Component.
- The Retirement Component: From 1 September 2024, two thirds of the monthly retirement fund contributions will be allocated the Retirement Component. Unlike the Savings Component, this component can only be accessed at retirement, ensuring that your funds are preserved and thereby provides a measure of financial security. This rule does not apply in the event that you emigrate from South Africa – you will be able to access your Retirement Component (and any funds left in the Savings Component) as a lump sum.

#### **6.5. Contributions prior to 1 March 2021**

Any savings accumulated for any person, who is or was a member of a provident preservation fund and who was younger than 55 years on 1 March 2021, are treated according to the old rules of the Fund – these savings can be withdrawn as a lump sum upon retirement.

#### **6.6. Exemptions from the Two-component Retirement System**

- Unclaimed benefit members;
- Pensioners;
- Beneficiary fund members; and
- Pensioners and members of provident funds that were 55 years and older on 1 March 2021 who have not opted to be part of the two-component system.

#### **6.7. Intra-Fund Transfer**

The value of your Vested Component and/or value of your Savings Component can be transferred to your Retirement Component within the same preservation plan and will be regarded as an “intra-fund transfer”. Intra-fund transfers are intended to move funds from the accessible component to the more secure component, where the money is preserved for retirement purposes.

#### **6.8. Tax Implications**

- Savings Component (withdrawal prior to retirement): should you want to access a full or partial withdrawal from the Savings Component prior to retirement, the lump sum withdrawal will be taxed according to your applicable marginal income tax rate.
- Savings Component (withdrawal at retirement): should you want to access a full or partial withdrawal from the Savings Component, the lump sum withdrawal will be taxed according to the retirement, death, and severance benefit tax table (the RDS tax table) - these tax rates are generally lower than the marginal income Tax rates applied to withdrawals before retirement.
- Retirement Component: if you emigrate from South Africa, you will be able to access the Retirement Component (and any funds remaining in the Savings Component) as a lump sum after you can prove that you have been a non-South African tax resident for three years. Tax will be levied upon the lump sum withdrawal according to the Retirement Lump sum Withdrawal Tax Table unless in terms of a double taxation agreement with the country of new residence, South Africa loses the taxing rights.
- Vested Component (withdrawal prior to retirement): pre-retirement withdrawals from the Vested Component will be taxed according to the withdrawal benefit tax table, where only the first R27 500 is tax-free.
- Vested Component (withdrawal at retirement): the cash lump-sum withdrawal of up to one third of the value of your Vested Component will be taxed according to the retirement fund lump-sum benefits table, according to which, the first R550 000 is tax-free.

#### **6.9. Withdrawals prior to retirement**

Tax due according to a tax directive issued by SARS with respect to the withdrawal, and any annual administration fees and annual financial advisor fees owed will be deducted from the withdrawal before it is paid out. It is important to understand the implications of taking a withdrawal Benefit, and any decision to do so should be made after consultation with your Financial Advisor.

##### **Vested Component**

Subject to legislative requirements and the rules of the Fund, you are entitled to a once-off 100% withdrawal of the value of your Vested Rights, housed in the Vested Component, prior to retirement.

##### **Savings Component**

You will have immediate access to the Savings Component (subject to certain conditions) and can make a minimum withdrawal of R2,000. Withdrawals are permitted once per tax year, between 1 March and 28 February, and are taxable based on the applicable marginal income tax rate.

##### **Retirement Component**

You are only entitled to withdraw your full Benefit (Retirement Component, Savings Component and Vested Component) prior to retirement, subject to legislative requirements and the rules of the Fund, when you emigrate from South Africa and the emigration is recognised by the South African Reserve Bank for the purposes of exchange control and you have been a non-South African tax resident for a period of 3 years.

## **7. What we do for you?**

### **7.1. Comply with Prudential Investment Guidelines**



The Fund must comply with the investment exposure limits as set out in the regulations (regulation 28) to the Pension Fund Act. These limits set, amongst other things, the maximum exposure that the Fund or you as a Member may have to various asset classes.

**Examples of these highlighted below:**

- 75%** exposure to equities
- 50%** exposure to non-government debt instruments
- 45%** exposure to foreign assets
- 25%** exposure to property

Your Portfolio must comply with the above limits, and the Administrator may change your Portfolio selection should your Investment Account no longer comply with the guidelines.

**7.2. Allocate Bank Interest**

Bank interest earned in the designated fund bank account on deposits for your investment account will be added to the investment amount should the monies remain in the bank account for more than a day. No interest is payable to Members in relation to monies in transit during the processing of a switch instruction, provided that stipulated time standards within the Portfolio Supplement(s) are adhered to.

**7.3. Act with honesty and integrity**

The Fund and the Administrator will act with due care, diligence, honesty, fairness and integrity in all dealings with you.

**7.4. Accept, suspend, delay or reject your instructions**

The Administrator may accept, suspend, delay or reject your application or any subsequent instructions on behalf of the Fund. A transaction may also be reversed if the Administrator, on behalf of the Fund, believes the circumstances substantiate it.

**7.5. Communicate with you**

The Administrator will communicate the following to you:

- Confirmation of your investment and acceptance as a Member of the Fund
- Confirmation of changes to your Member details
- Quarterly investment statements
- Notices on events that affect your Membership.

We will send all communications to you via email unless specifically requested by you to send all communications by post. You may also contact your Financial Advisor to request this information.

It's important to note that if you have invested via an on-line transactional platform(s), investment statements will be made available, via that platform and will not be distributed via email.

In support of the environment, we will distribute all relevant communications electronically via email. You accordingly indemnify us for the security of information sent to you via email at your request, for the proper and complete transmission of the information contained in the email and for any delay in its receipt.

**7.6. Close a Portfolio**

The Fund or the manager is entitled to close a Portfolio at any time. Should Members be required to disinvest from the Portfolio, you will be requested to select an alternative investment portfolio. The Administrator may switch your investment into a default Portfolio should no response be received from you by the specified deadline date.

**7.7. Processing order of multiple instructions involving the same Portfolio**

If the Administrator receives an instruction while another instruction is in progress, the second instruction may be delayed until such time that the first instruction is complete.

**7.8. Maintain professional and fidelity insurance**

The Administrator and the Fund are insured against fraud and negligent or dishonest behaviour.

**7.9. General**

The Fund rules, financial returns and the most recent actuarial valuation report may be inspected at our offices. The Member will be liable for any costs as set out in the rules, if copies of these are required.

## **8. What we don't do?**

**8.1. Financial Advice**

The Administrator does not provide financial advice.

We may only give you information about our investment products (of a factual or administrative nature) and we may not give you advice on whether any of the investment products we offer is suitable for your risk profile and investments needs.

You must not rely on any written, spoken or implied communication from us as investment advice, or recommendation to invest in or change your investment.

By selecting one of our investment products, you make an independent decision to enter into an investment which meets your financial and investment needs, whether those needs have been identified using your own judgment or through financial advisors. We have in no way, be it written, spoken or implied, recommended your choice of investment and the information and explanations relating to the terms of your investment are in no way to be considered investment advice.

In making your investment choice, we are indemnified and held harmless against any claim which may arise when you conduct business telephonically, by way of facsimile or via online services, including email. We will take any and all deemed and necessary security precautions to ensure that you can proceed with your chosen investment application.

## **8.2. Guarantees**

We do not provide a guarantee on the investment value of your investment nor do we guarantee the performance of them.

The market value of investments may fluctuate, and past performance is not necessarily a guide to the future. Your investments are generally medium to long term investments. You carry the investment and market risk which may include the possibility of losing capital.

## **8.3. Losses incurred**

By submitting an investment application or instruction to the Administrator, you accept the risks associated with email communication and understand that the Administrator shall not be liable for all and any losses that you may incur, in the event that the Administrator has not received your communication, whether due to the failure, malfunction or delay of any networks or electronic or mechanical device or otherwise. The Administrator will not be liable to make good or compensate you or any third party for any damages, losses, claims or expenses resulting from undelivered communication.

Other losses that the Administrator will not be responsible for are as follows:

- Any changes in tax of other legislation.
- The investment or market risk of the underlying investments.
- Financial Advisors acting beyond the scope of their FSCA license.
- If an unauthorised instruction is received from your appointed Financial Advisor.
- Providing your Financial Advisor with details about your investment whether via telephone, email or via the dedicated web front end secured investment portal.
- Acting on information that is outdated or incorrect where you have failed to notify us of any changes to your information.
- We do not accept responsibility for delays in processing instructions as a result of extraordinary events that cause disruptions.
- We will carry out instructions at the earliest possible opportunity subject to legislation and our administration procedures and Portfolio limitations.
- The delayed sale of some or all of your investment due to ring-fencing. 'Ring-fencing' is the separation and delayed sale of units in a Portfolio. It is caused by the large sale of units above a certain threshold in a Portfolio. Ring-fencing makes sure that the sale of a large number of units will not force the Manager to sell the underlying assets at a price which could negatively affect Member in the Portfolio. We may delay the payment or reinvestment of the proceeds of the sale of units.
- We are duly authorised to accept instructions by facsimile or email and you accordingly waive any claim you may have against us and indemnify us against any loss incurred as a result of our receiving and/or acting upon such communication.
- We will not be held responsible for any failure, malfunction or delay of any networks or electronic or mechanical device or any other form of communication used in the submission, acceptance and processing of application and/or transactions. We will not be liable to make good or compensate any Member or third party for any damages (whether direct or consequential), losses, claims or expenses resulting there from.

## **9. What Fees and Charges do you pay?**

There are different types of fees that are levied on your investment that will reduce the underlying value of your investment.

The fees are different across the range of Portfolios as well as the class of Portfolio. Therefore the Portfolio and class of Portfolio you choose will determine the ultimate fees that you pay.

All fees and charges applicable to your elected investment Portfolios can be found in the in the Portfolio's Minimum Disclosure Document.

The types of fees that could be levied are as follows:

### **9.1. Initial Management Fee**

Certain managers may charge an initial fee on your selected Portfolios within your investment account. These fees will be charged when you invest into the Portfolio or when you switch into the Portfolio.

## **9.2. Financial Advisor Initial Fee**

If you and your Financial Advisor agree to a financial advisor initial fee, as indicated in the application or any other written communication accepted by the Administrator, the agreed amount will be deducted from the investment before the investment is made. A maximum fee of 3% excluding VAT applies.

## **9.3. Annual Administration Fee**

The annual administration fee will be dependent on your investment value.

The fee is levied monthly in arrears by deducting units from your underlying holdings to the value of the fee owed. The fee is deducted proportionally from the Portfolios held within your investment unless you have an expense account.

## **9.4. Financial Advisor Annual Fee**

If you and your Financial Advisor agree to a financial advisor annual fee, as indicated in the application or any other written communication accepted by the Administrator, we will deduct this fee and pay it over to your Financial Advisor. A maximum fee of 1% excluding VAT applies. The fee is calculated daily and levied monthly in arrears by deducting units from your underlying Portfolios within your investment account to the value of the fee owed. Financial advisor annual fees owed will also be deducted before the proceeds of a withdrawal or transfer instruction are paid out. The fee is deducted proportionally from the underlying Portfolios within your Investment Account.

## **9.5. Switching Fee**

No fees are charged when you switch between investment/model Portfolios.

## **9.6. Value Added Tax**

Where appropriate, VAT will be added to the fees or charges on your investment.

## **9.7. Reporting of Fees**

Your investment statement will show the explicit fees that are charged on your investment, except for the annual management fees mentioned above that are included in the unit price of the Portfolios.

## **9.8. Portfolio Management and Transaction Costs**

Managers charge annual management fees, which are incorporated into the daily unit price of the Portfolio. These fees vary across the range of Portfolios as well as the class of Portfolio, therefore the Portfolio you choose will determine the fees which you incur.

All fees and charges applicable to your selected Portfolio(s) can be found in the applicable Portfolio Supplement(s) and/or MDD(s).

## **9.9. Fund Expenses**

Fund expenses not directly related to the administration of your investment such as audit or valuation fees will be recovered from your Investment Account.

## **9.10. Savings Component Withdrawal Fee**

Given the additional administration required to handle the new Two-Component Retirement system, there may be changes to administration costs. You will be charged an administration fee of R350 for withdrawals from the Savings Component, which will be deducted from the amount you want to withdraw.

# **10. On death of the Member**

## **10.1. Notification of death**

The Administrator must be notified of your death in writing. The following information must be included in the notification:

- A certified copy of the deceased's ID document
- Death Claim Form
- A certified copy of the death certificate
- A certified copy of the Letter of Executorship.

Please be aware that additional information may be required by the Trustees of the Fund, depending on the specific circumstances of each case.

## **10.2. Parties who may be entitled to a portion of the Death Benefit**

Your Benefit does not form part of your estate and will not be governed by your last will and testament. In accordance with Section 37 of the Pension Funds Act, the Trustees have full discretion to award the death Benefit as they feel appropriate. Dependents will be given preference when allocating the Benefit in accordance with legislation, after which nominated Beneficiaries and your estate will be considered.

The death Benefit is the value of your investment, less any applicable charges or fees, at the time of finalising your death claim.

Each party who has been awarded a portion of the Benefit will be provided the Benefit in one of the following ways, as determined by

the Trustees for each Benefit portion and subject to the requirements of the relevant legislation:

- The death Benefit may be used to purchase a compulsory annuity from a registered long term insurer.
- The death Benefit may be paid out as a cash lump sum.
- The death Benefit may be provided as a combination of an annuity purchase and a cash pay-out.

## 11. Legislation which governs your Membership in the Fund

The following are some of the main Acts and regulations that govern your investment and the parties to this investment agreement. Amendments to or replacement of the legislation and directives issued by regulatory authorities may change the terms and conditions of your investment.

- The Pension Funds Act
- The Long-term Insurance Act
- The Collective Investments Schemes Control Act
- The Financial Advisory and Intermediary Services Act
- The Income Tax Act
- Exchange Control Regulations
- Protection of Personal Information Act

## 12. How does the Protection of Personal Information Act 4 of 2013 (POPIA) affect your investment?

**12.1.** In order to provide investment products to you, we have to process your personal information. The Administrator will treat your personal information with caution and have put reasonable security measures in place to protect it. By signing or having signed the application for investment, you agree to the processing and sharing of your personal information. We care about the privacy, security and online safety of your personal information and we take our responsibility to protect this information very seriously. For a more detailed explanation, please read our official Privacy Notice on our website. We will deal with your personal information as follows:

**12.1.1.** Processing your personal information: We must collect and process some of your personal information in order to provide you with our products and services, and also as required by insurance, tax and other legislation.

**12.1.2.** Sharing your personal information: We will share your personal information if required by law and with legal and regulatory authorities, upon request, or for the purposes of reporting any actual or suspected breach of applicable law or regulation, to third party Operators (including, but not limited to, data processors such as providers of data hosting services and document review technology and services), with the Product Providers, other financial service providers, industry bodies, regulatory bodies, credit agencies and service providers. This includes information about your investment, withdrawals, and payments. We do this to assess withdrawals, prevent fraud and to conduct surveys. If applicable, we may also share your personal information to trace you or your beneficiaries for any unclaimed benefits.

**12.1.3.** Protecting your personal information: We take every reasonable precaution to protect your personal information (including information about your activities) from theft, unauthorised access, and disruption of services.

**12.2.** Access to your personal information will be made available to our contracted administrators and/or your financial intermediaries' third-party service providers solely for the purpose of administering and/or servicing your chosen investment(s). Use of your personal information by any of these parties will be limited to the following actions:

**12.2.1.** Processing of this application.

**12.2.2.** Processing of any subsequent instructions submitted to us.

**12.2.3.** Communicating with you on matters pertaining to your investment.

**12.2.4.** Providing you with further information, which may include but not be limited to quarterly investment statements, annual tax certificates (where applicable), transaction confirmations etc.

**12.2.5.** Supporting your elected intermediary with their financial planning processes through data integration with their chosen software partners

**12.3.** Depending on your choice of investment(s), we may be required to share your personal information across borders. This will only occur when we need to administer and/or service your investment(s) and these functions have been outsourced to offshore service providers.

**12.4.** When transferring your personal information outside the borders of the Republic of South Africa, we will only facilitate transfers to countries that adopted a law that provides for an adequate level of protection substantially similar to POPIA and the GDPR (The General Data Protection Regulation 2016/679 is a regulation in EU law on data protection and privacy in the European Union and the European Economic Area. It also addresses the transfer of personal data outside the EU and EEA areas).

**12.5.** In terms of POPIA, you have the right to object at any time to the processing of your personal information in the prescribed manner on reasonable grounds relating to your particular situation. Such objections will only be set aside if legislation specifically provides for the

processing of your personal information in your given situation. On receipt of any objections, we will put a hold on any further processing of your personal information until the objection has been resolved.

- 12.6. You have the right to lodge a complaint to the Information Regulator.
- 12.7. You have the right to at any time request that we provide you with details concerning your personal information which we may hold, including the identities of all third parties who have or had access to such information. Please note that any such access request may be subject to a payment of a legally allowable fee.
- 12.8. POPIA requires that you provide us with personal information, which is complete, accurate, and up to date. Whilst we will use our best endeavours to ensure that your personal information is reliable, it will be your responsibility to advise us of any changes to your personal information as and when these may occur. You may request the correction or deletion of personal data that is inaccurate, incomplete, unnecessary, or excessive, provided proof relating to the inaccuracy or incompleteness is provide.

## 13. Contact Details



**Physical address:** 28 Peter Place, Lyme Park, Sandton, 2060



**Tel:** +27 (0) 10 594 2100



**Email:** [trading@globaladmin.co.za](mailto:trading@globaladmin.co.za)



**Website:** [www.primeinvestments.co.za](http://www.primeinvestments.co.za)

## 14. Complaints

If you are not satisfied with the service provided to you and you wish to make a complaint, please send a written communication to the Head of Operations using the contact details supplied above. Please remember to include all supporting documents. The Administrator will acknowledge the complaint in writing and will inform you of the contact details of the person who will be assigned to resolving your complaint.

If you are not satisfied with the response from the Administrator, or if your complaint relates to the advice provided to you by a Financial Advisor in respect of this investment, you can write to the Ombudsman.

### The Pension Funds Adjudicator



**Postal address:** PO Box 580, Menlyn, 0063



**Tel:** (012) 346 1738



**Email:** [enquiries@pfa.org.za](mailto:enquiries@pfa.org.za)

### The Long-term Insurance Ombudsman



**Postal address:** Private Bag 45, Claremont, 7735



**Email:** [info@ombud.co.za](mailto:info@ombud.co.za)



**Website:** [ombud.co.za](http://ombud.co.za)

### The Ombudsman Financial Service Providers



**Postal address:** PO Box 41, Menlyn Park, 0063



**Email:** [info@faisombud.co.za](mailto:info@faisombud.co.za)



**Website:** [faisombud.co.za](http://faisombud.co.za)

### The Information Regulator



**Postal address:** PO Box 31533, Braamfontein, Johannesburg, 2017



**Email:** [info@justice.gov.za](mailto:info@justice.gov.za)



**Website:** [justice.gov.za](http://justice.gov.za)