



# Hollard Preservation Plan

Information Document

## Hollard Preservation Plan

This document contains general information about the Hollard Preservation Plan and is not the Rules of the Fund. The content of this document is simply factual information about the Hollard Preservation Plan and it should not be seen as advice.

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## 1. Definitions

### 1.1 Premier Preservation Fund (the Fund)

The Premier Preservation Fund (Reg. number 12/08/38197), referred to as the Hollard Preservation Plan, a registered Fund in terms of the Pension Funds Act 24 of 1956. The Fund is an independent legal entity and is intended to preserve retirement savings until retirement, at which time the Member will receive a Benefit.

### 1.2 Trustees

A Board of Trustees appointed by the Fund. The Trustees are responsible for the management and control of the Fund and its operations, and the protection of Member interests, in accordance with the Fund Rules and the relevant legislation.

### 1.3 Fund Rules

The Rules of the Fund as approved by the Registrar. You may request to view the latest Rules, financial returns, and most recent actuarial reports of the Fund free of charge at the registered office of the Fund or the Administrator. You may request a copy of the Rules, which will be provided at a cost as specified in the Rules.

### 1.4 Premier Benefits (The Administrator)

Premier Benefits (Pty) Ltd (Reg. No. 2007/015428/07), an approved Retirement Fund administrator, which has been appointed by the Trustees to administer the Fund.

### 1.5 Hollard Life (The Distributor)

Hollard Life Assurance Company Limited, the distributor of the Hollard Preservation Plan. Hollard Life Assurance Company Limited (Reg No. 1993/001405/06) is a licensed Life Insurer and an authorised Financial Services Provider. Hollard Investments is a division of Hollard Life and carries out all servicing aspects relating to your investment.

### 1.6 Independent Nominee

Protected Nominees (RF) (Pty) Ltd (Reg No. 2022/779644/07) is a nominee company approved by the Financial Sector Conduct Authority (FSCA) in whose name assets of the Fund may be held or such other nominee company, approved by the FSCA, in whose name assets of the Fund are held.

### 1.7 Member (You)

The individual who has been accepted as a member of the Fund and who is entitled to a Benefit according to the Fund Rules. Also referred to as "you."

### 1.8 Retirement Funds

A fund approved by the Registrar in terms of the Pension Funds Act 24 of 1956 which allows Members to save for retirement in a regulated and tax-efficient manner. Retirement Funds include Retirement Annuity funds, Pension funds, Provident funds, and Preservation funds.

### 1.9 Benefit

In relation to Retirement Funds, 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.

### **1.10 Retirement Component**

An Investment Account, denoted as the “Retirement Component”, allocated to a Member as part of the Member’s retirement savings, where and any permitted transfers to this component are allocated from 1 September 2024. If a Member held more than one Investment Account in the Fund as of 31 August 2024, the Member would have multiple Retirement Components.

### **1.11 Savings Component**

An Investment Account, denoted as the “Savings Component,” allocated to a Member as part of the Member’s retirement savings where the initial Seed Capital, and any permitted transfers to this component are allocated from 1 September 2024. If a Member held more than one Investment Account in the Fund as of 31 August 2024, the Member would have multiple Savings Components.

### **1.12 Vested Component**

An Investment Account, denoted as the “Vested Component,” allocated to a Member as part of the Member’s retirement savings which include the amounts as per the definitions of a “Member’s Interest in the Vested Component” and “Vested Right.” No contributions are permitted into this component on or after 1 September 2024. If a Member held more than one Investment Account in the Fund as of 31 August 2024, the Member would have multiple Vested Components.

### **1.13 Vested Right**

An Investment Account, denoted as the “Vested Right”, allocated to a Member as part of the Member’s retirement savings and includes all contributions made to a provident/provident preservation fund prior to 1 March 2021 and the growth on these contributions less the Seed Capital allocated to the Savings Component on or after 1 September 2024. This Vested Right remains in place should the benefit be transferred to any other retirement fund. Vested Rights are protected against annuitisation, thus 100% can be taken in cash at retirement age.

### **1.14 Seed Capital**

A once-off amount of 10% (ten percent) of the total value of each Investment Account held in the Fund as of 31 August 2024, limited to R30 000, transferred into the Savings Component on or after 1 September 2024.

### **1.15 Member’s Interest in the Retirement Component**

The Member’s value in the Retirement Component which includes any amount credited to this component on or after 1 September 2024 and investment growth thereon, as well as any transfers permitted into this component. The value may be reduced proportionally across all components held by any amount deducted as a result of a divorce order, maintenance order or any other deduction permitted as per section 37D of the Pension Funds Act 24 of 1956.

### **1.16 Member’s Interest in the Savings Component**

The Member’s value in the Savings Component which includes the initial Seed Capital, any amount credited to this component on or after 1 September 2024 and investment growth thereon, as well as any transfers permitted into this component. The value may be reduced by any withdrawals made from this component as well as reduced proportionally across all components held by any amount deducted as a result of a divorce order, maintenance order or any other deduction permitted as per section 37D of the Pension Funds Act 24 of 1956.



### **1.17 Member's Interest in the Vested Component**

The Member's value in the Vested Component which includes any amount that existed in the Fund immediately prior to 1 September 2024, less the Seed Capital allocated to the Savings Component on or after 1 September 2024; investment growth; as well as any transfers permitted into this component. The value may be reduced proportionally across all components held by any amount deducted as a result of a divorce order, maintenance order or any other deduction permitted as per section 37D of the Pension Funds Act 24 of 1956.

### **1.18 Retirement Interest**

The Member's Retirement Interest comprises of the Member's Interest in the Savings Component, the Member's Interest in the Retirement Component, and the Member's Interest in the Vested Component on the date that the Member elects to retire from the Fund or elects to transfer to another retirement fund as permitted by the Fund Rules.

### **1.19 Savings Withdrawal Benefit**

The value that the Member has elected to withdraw from the Savings Component before the termination of membership from the Fund. The Savings Withdrawal Benefit rules are explained in this document.

### **1.20 Unit Trust Portfolio/Collective Investment Scheme**

An arrangement whereby a group of investors' money is pooled and invested into various assets such as equities, bonds, property, and cash. The assets into which investors' money is placed are governed by the mandate of the Unit Trust Fund and are selected and managed by a professional Manager. Unit Trust Portfolios are commonly referred to as 'unit trust(s)' or 'fund(s)'. In this document the term 'Unit Trust Fund' is used.

### **1.21 Collective Investment Schemes Management Company (Manager)**

A registered Manager of Collective Investment Schemes (or Unit Trust Funds) in terms of the Collective Investment Schemes Control Act 45 of 2002.

### **1.22 Participatory interest in a Collective Investment Scheme**

A Collective Investment Scheme is divided into equal parts called participatory interests, also referred to as 'units.' Each unit represents a direct proportionate interest in every underlying asset of the Unit Trust Fund. The number of units in your Unit Trust Fund depends on how much money you contribute and what the unit price is when the units are purchased.

### **1.23 Investment Portfolio**

The selection of Unit Trust Funds and other investment options offered to Members of the Fund, as amended from time to time.

### **1.24 Investment Account**

An Investment Account is allocated to each component and is the account through which the Investment Portfolios you select are administered. You will receive a unique investment number per component which identifies your Investment Account. Where a Member held more than one Investment Account in the Fund on the 31 August 2024, multiple Investment Account numbers would be assigned to each respective component and components will be grouped together via a plan number based on the original Investment Account held prior to this date.

### **1.25 Beneficiary**

A natural or legal person nominated by the Member or whom is a dependent entitled to a Benefit from the Fund in the event of the Member's death.

### **1.26 Dependant**

The spouse and all children of the Member, along with any other person who depends on the Member for financial support. A full list of persons classified as dependents are provided for in the Fund Rules.

### **1.27 Expense Account**

You can choose to have your Annual Administration Fee, Financial Advisor Annual Fee, and Portfolio Management Fee as applicable deducted from a nominated Investment Portfolio, as selected by the Fund.

### **1.28 Compulsory Annuity**

An investor-owned compulsory annuity policy issued under the provisions of the Long-term Insurance Act, No. 52 of 1998, as amended and The Insurance Act, 18 of 2017, into which you will be required to invest a portion of your Benefit on retiring from the Fund.

### **1.29 Retirement Benefit Counselling**

Retirement Benefit Counselling means the disclosure and explanation of the terms of the Fund's annuity strategy and any other options made available to Members in the format or on the platform determined by the Trustees upon a Member contemplating retiring from the Fund. Retirement Benefit Counselling will be provided to you within 2 - 6 months prior to retirement in the format determined by the Trustees.

Retirement Benefit Counselling is not financial advice, but instead provides Members with information on the annuity options at retirement, and also provides information on the trustees' proposed default strategy. The Member is, however, strongly encouraged to discuss the retirement options with their financial advisor, who can consider the specific needs and personal circumstances before providing advice.

### **1.30 Financial Services Provider (FSP)**

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

### **1.31 Financial Advisor**

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

### **1.32 The Investment Manager**

An approved FSP acting as the investment manager for one or more Model Portfolios offered by Hollard Investments, as mandated by the investor by means of a client mandate agreement.

### 1.33 Model Portfolio

The collection of notionally grouped Investment Portfolios managed by the Investment Manager on behalf of the investor. Model portfolios help you achieve your personal investment objectives by using “asset allocation strategies,” which consider which asset class mix will result in the optimal risk return profile for the investor over a specified investment time period. An asset class is a broad group of individual securities or investments that have similar characteristics, such as an equity or a bond.

### 1.34 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.

## 2. The Rules

The Fund Rules are binding on the Fund and the Members, shareholders, and officers thereof, and on any person, who claims under the Rules or whose claim is derived from a person so claiming. The Fund Rules contain the provisions relating to any rights, obligations or Benefits which may be granted or imposed by, and the contributions which may become payable to, the Fund, or provisions in accordance with which the rights, obligations and Benefits will be calculated or determined.

## 3. Important information relating to the Fund

### 3.1 Benefits which can be transferred to or from the Fund

The following Benefits may be transferred to the Fund, subject to the Rules and relevant legislation:

- A pension or provident fund Benefit which is transferred in the event of your resignation, retrenchment or dismissal from an employer which results in the termination of your membership from the employer’s pension fund.
- If a Member retires from a pension or provident fund, the Benefit payable to the Member can be transferred directly to the Fund from his/her the pension or provident fund.
- A pension or provident fund Benefit from a pension fund which has been wound up.
- A pension or provident preservation fund Benefit, transferred at the request of the Member, or in the event of the winding up of the preservation 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 transferring Benefits to the Fund, all components must be transferred together (i.e. no splitting of components is permitted) with the following transfers between components permitted:

Component being transferred to:	Component being transferred to:
Savings Component	Savings Component; or Retirement Component
Retirement Component	Retirement Component
Vested Component	Vested Component; or Retirement Component
Vested Right	Vested Right; or Retirement Component

Investments may be processed in the form of a transfer of Investment Portfolio units if you are investing into the same Investment Portfolios in which you are currently invested within your approved Retirement Fund Investment Account(s), and the unit transfer is permitted by the transferring fund.

### 3.2 Minimum investment amount

The minimum amount required to become a Member of the Fund and open an Investment Account is R50, 000 (Fifty Thousand Rand).

### 3.3 Tax application

Every Member must be registered for tax and must provide Hollard with a valid tax number before any Benefits are paid to the Member.

The tax implications for the product are as follows:

- Tax on Benefit payments

Income tax will be deducted from any Benefit taken in cash before it is paid out to you, in accordance with income tax legislation as follows:

- **Savings Withdrawal Benefit:** Taxed at the Member's marginal tax rate. Please note that any debt that the Member has with the South African Revenue Service (SARS) will be recouped by SARS before the Savings Withdrawal Benefit is paid. It is recommended that Members verify their account status with SARS before submitting any withdrawals from their Savings Component. The lifetime lump sum tax-free amount, currently set as R550 000.00 is not reduced by any withdrawals from the Savings Component.
- **Pre-Retirement Withdrawals (excluding withdrawals from the Savings Component):** Benefits are taxed according to the Lump Sum Withdrawal Tax tables.
- **Retirement Benefits:** Benefits are taxed according to the Retirement Lump Sum Tax tables.
- **Emigration:** Benefits are taxed according to the Lump Sum Withdrawal Tax tables.

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.

### 3.4 Transferring your Benefit from another Retirement Fund

You may transfer your full Benefit (i.e. all components) from an approved Retirement Fund (excluding a retirement annuity fund) and/or transfer an amount payable at retirement from a Retirement Fund (excluding a retirement annuity fund), subject to relevant legislation and if permitted according to the Rules of the fund from which you wish to transfer. You must ensure that you understand the actual and possible implications, costs, and consequences of transferring your investment. The transfer instruction may be processed in the form of a transfer of Investment Portfolio units if you are investing into the same Investment Portfolios in which you are currently invested within your existing Retirement Fund Investment Account, and the unit transfer is permitted by the transferring fund.

### 3.5 Transferring your Benefit to another Retirement Fund

You may transfer your full Benefit (i.e. all components) to a registered Retirement Fund, subject to relevant legislation and if permitted according to the rules of the fund to which you wish to transfer. No partial transfers are permitted.



Any Annual administration fees, financial advisor annual fees and portfolio management fees owed, costs related to the management and administration of the fund will be deducted from the Investment Account before the transfer takes place. You must ensure that you understand the actual and possible implications, costs, and consequences of transferring your investment. The transfer may be processed in the form of a transfer of Investment Portfolio units if you are investing into the same Investment Portfolios in which you are currently invested within your existing Preservation Fund.

**3.6 Transferring between Components within the same Retirement Fund**

You may transfer Benefits between components as follows:

Component being transferred from:	Component being transferred to:
Savings Component	Retirement Component
Vested Component	Retirement Component
Vested Right	Retirement Component

**3.7 Transferring your Benefit to an employer Retirement Fund**

You may transfer your full Benefit (i.e. all components) to an approved Retirement Fund of your current employer, subject to the relevant legislation and provided that you are a Member of the fund and the transfer is permitted according to the Rules of the fund to which you wish to transfer. Any annual administration fees and financial advisor annual fees owed will be deducted from the Investment Account before the transfer takes place. You must ensure that you understand the actual and possible implications, costs, and consequences of transferring your investment.

**3.8 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 Fund shall on the date that the court order is received reduce the Member’s investment value proportionally across all components by the amount assigned. The Fund shall pay the assigned amount in accordance with the election of the non-member spouse or other person designated in the court order, either directly to the designated person or to another registered Retirement fund on their behalf.

**3.9 Ceding of your investment**

The right to Benefits may not be ceded or pledged.

**3.10 Cooling Off**

No cooling-off period applies.

**3.11 Guarantees**

The Fund does not provide a guarantee on the value of your Benefit nor does it guarantee the performance of the Investment Portfolios in your Investment Account(s). The market value of your Investment Account(s) may fluctuate and go down as well as up, 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.



### 3.12 Risks associated with investment concepts and strategies

There are several risks Members face when investing such as investment or market risk. Markets are at times volatile for various reasons such as economic, political or environmental changes taking place. There are several other risks that can impact the returns that a Member can expect to receive such as but not limited to:

- The risk of attempting to time the market or being out of the market (due to withdrawals or switching). Investments are generally medium to long term in nature and early withdrawals could impact the value of investments.
- Lack of portfolio diversification
- Inflation eroding the real value of an investment
- Market disruptions, amongst others, but not limited due to natural disasters, corruption and poor fiscal policies resulting in a long-term negative impact on the economy could adversely affect the performance of the investment
- Foreign exchange risk that could positively or negatively impact returns (if applicable)
- Delayed sale of some or the entire Members Investment Portfolio due to ring fencing
- Tax Risk: The tax treatment of investments can be complex. Tax rates and the basis of taxation may change during the investment term.
- The risk associated with the investment are not limited to those described above and Members should satisfy themselves that they have fully understood the risks applicable and consult a professional financial, tax and legal advisor where necessary.

## 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.

Neither the Fund, Hollard Life in their capacity as the Distributor, the Administrator nor the Manager may provide financial advice and may only supply the Member with factual or administrative information relating to the Hollard Preservation Plan and Investment Portfolios provided by the Fund. The Fund, the Distributor, the Administrator, and the Manager may not advise as to which of the Investment Portfolios are suitable for your risk profile or investment needs. You may not rely on any written, spoken, or implied communication from us as investment advice, or as a recommendation to invest in or change your investment.

### 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 Hollard Life and the respective product provider. 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 a duly authorised FSP.

**Please note:** You may not appoint different Financial Advisors across different components within the same plan.

### 4.3 Providing Dependant information and Nominating Beneficiaries

Dependants are a special category of persons as described in the Pension Funds Act 24 of 1956, and are persons dependant on you for financial support, along with your spouse and children. They are given preference when allocating Benefits. You may also nominate one or more natural persons to receive any Benefits payable on your death. It is important to keep your Beneficiary / Dependant nomination up to date as nominations may be considered by the Trustees when the death Benefit is awarded.

**Please note:** You may not appoint different Dependents/Beneficiaries across different components within the same plan.

#### **4.4 Selection of Investment Portfolios/Model Portfolios**

When you become a Member of the Fund you will select the Investment/Model Portfolios into which you wish to invest – subject to regulation28 limits. You will be able to invest via a Model Portfolio should this option be provided by your Financial Advisor. You may select any one or a combination of the Investment/Model Portfolios offered by the Fund. It is important for you to monitor and review your Investment/ Model Portfolio selection on a regular basis, in order that your investment continues to meet your financial needs. Please refer to the latest Investment Portfolio list available on the Hollard Investments website for more information on the Investment Portfolio range. The Investment Portfolios available for selection at the time of your investment are subject to availability and may be closed at the discretion of the Fund or the Manager.

The Fund cautions Members against implementing different investment strategies across components. Collectively the components aim to provide Members with an income in retirement and must be managed as such. Members should consult with your financial advisor in this regard.

#### **4.5 Investment phase-in**

You may elect to gradually invest your initial investment into your selected Investment Portfolios from the default Money Market Unit Trust Fund by means of a fixed instalment phase-in over a 3-, 6-, 9- or 12-month period. This option is not available should you be investing via a Model Portfolio.

#### **4.6 Submitting instructions on the correct forms**

All the instructions which you submit must be completed on the latest Hollard Investment forms. All forms are available on the Hollard Investments website or from your appointed Financial Advisor.

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

All instructions which are submitted must be fully completed and accompanied by any required supporting documentation. You must ensure that all the information, instructions and supporting documentation provided is true, accurate and complete. The Administrator may only accept an instruction signed by your Financial Advisor if he/she holds the required discretionary FAIS license, and 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 Distributor, the Administrator, the Manager(s), where applicable the Investment Manager, and applicable legislation at the time of the transaction.
- The availability of the selected Investment Portfolios.
- The processing requirements of the Administrator (this includes cut-off times and processing times).
- The minimum investment amounts specified by the Fund and the Manager(s) as applicable at the time of the transaction.

The Administrator may suspend, delay, or reject your instruction should all requirements not be met.

#### **4.8 Investment of additional contributions**

You may not invest additional monies into your Investment Account. You may open multiple Investment Accounts within the same Fund should you have Benefits from multiple employers that you wish to preserve.

**4.9 Income distributions**

An Investment Portfolio may declare and pay income distributions at regular monthly, quarterly, bi-annual, or annual intervals. The distribution comprises interest and dividends earned by the Investment Portfolio from the underlying assets in which it invests, less any expenses incurred. If the total expenses are more than the income earned, the Investment Portfolio will not make a distribution.

Any distributions earned will be re-invested back into your Investment Portfolio in the form of units purchased. Any distribution re-invested after a full withdrawal has been processed on the Investment Account, will be paid out.

**4.10 Switching between Investment Portfolios/Model Portfolios**

You may switch into new Investment/Model Portfolios or between your existing Investment/Model Portfolios within an Investment Account. You may not switch between Investment Portfolios within a Model Portfolio; the Investment Manager will perform switches on your behalf. You may however request to switch into or from the Model Portfolio. Please refer to the latest Investment Portfolio list on the Hollard Investments website for a list of the available Investment Portfolios. Your switch will not be processed if you select an Investment 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 rand value of your investment portfolio, a percentage of units switch will be processed equivalent to the rand amount requested. For example, if the switch rand amount equates to 92% of your investment portfolio, 92% of the unit balance will be switched. In these instances, the switch may be a greater or smaller amount than that originally requested.

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

**4.11 Withdrawals prior to retirement**

The following withdrawal rules apply per component:

Component Type	Withdrawal Rule	Withdrawal Exception
Retirement Component	1. No withdrawals are permitted prior to retirement	Members may withdraw from the Vested Component, Vested Right and Retirement Component when the Member:  1. Ceases to be tax resident for an uninterrupted period of 3 years; or 2. Departs from South Africa at the expiry of a work visa, or 3. Where the Member filed their financial emigration on or before 28 February 2021 and approved by the South African Reserve Bank or an authorised dealer in foreign exchange on or before 28 February 2022.
Savings Component*	1. One withdrawal is permitted per tax year (i.e. between 1 March and 28 February each year) 2. Minimum withdrawal amount of R2000 applies 3. There are no maximum withdrawal limits 4. If the Member terminates their membership in the Fund and the value of the savings component is less than R2000, a second withdrawal in a tax year is permitted	
Vested Component Vested Right	1. You are entitled to one full or partial withdrawal Benefit prior to retirement, subject to legislative requirements and the Fund Rules. 2. If you have already taken a withdrawal from the Benefit when it was being managed within	

Component Type	Withdrawal Rule	Withdrawal Exception
	<p>another Preservation Fund, you will not be permitted to take another withdrawal after the transfer to the Fund.</p> <p>3. You will not be able to make a withdrawal if you have previously taken a withdrawal or where there is withdrawal restrictions imposed by the employer /existing fund, unless permitted by legislation.</p> <p>4. Should you transfer from an existing employer fund on leaving employment after the retirement date/age of the said fund, you will not be entitled to a withdrawal in respect of the transferred Benefit (including growth),</p>	

\*Monies from the Savings Component should only be withdrawn when you find yourself in financial distress or in emergency circumstances. Withdrawing from this component will reduce your ability to earn the required income in retirement and should be avoided as far as possible. The Fund cautions against this practice and would encourage you to preserve the amount in the Savings Component until 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.

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 units withdrawal will be processed equivalent to the rand amount requested. For example, if the withdrawal rand amount equates to 92% of your investment portfolio, 92% of the unit balance will be withdrawn. In these instances, the withdrawal may be a greater or smaller amount than that originally requested.

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.

#### 4.12 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 time period specified.

You have the right to request recordings of any telephonic disclosures made by contacting us at 0860 202 202 or emailing us at [customercare@hollardinvestments.co.za](mailto:customercare@hollardinvestments.co.za).

#### 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 Hollard Investments change of details form available on the Hollard Investments website and provide any 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 a normal or an early retirement.

### 5.2 Retirement Benefit

The Members Retirement Interest is payable at the time that the retirement request is processed, less any fees or charges as follows.

Component Type	Retirement Benefit	Annuitisation Exception
Retirement Component	The full value must be used to purchase a compulsory annuity from an insurer.	A member is not required to purchase an annuity from an insurer where: <ol style="list-style-type: none"> <li>1. The member is deceased;</li> <li>2. Where the member elects to transfer the Retirement Interest to another retirement annuity fund;</li> <li>3. Where two thirds of the value in the Vested Component and the full value of the Retirement Component is less than R165 000.</li> </ol>
Savings Component	The full value can be withdrawn in cash, and any amount not withdrawn must be used to purchase a compulsory annuity from an insurer.	
Vested Component	One-third of the value may be withdrawn in cash, with two-thirds being used to purchase a compulsory annuity from an insurer. Any amount not withdrawn must be used to purchase a compulsory annuity from an insurer.	
Vested Right	The full value can be withdrawn in cash, and any amount not withdrawn must be used to purchase a compulsory annuity from an insurer.	

Tax will be deducted from any withdrawals taken in cash 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.

## 6. Instruction processing

### 6.1 Processing Timelines

The Administrator is responsible for processing your instructions and will only do so once a complete and correct instruction is received along with any required supporting documentation, including transferring fund requirements and a tax directive from SARS where applicable.

The Administrator will make every effort to meet the timelines reflected in the below table once instructions which are complete and correct have been accepted for processing.

Please note: Instructions sent to Hollard Investments and the Administrator cannot be cancelled or reversed including any withdrawal submitted from the Savings Component.

Business cut-off: 14h00	Process the instruction	Buy or Sell Units	Unit Price received from the Manager	Member Statement reflects instruction
Before cut-off (Business Day 1)	Business Day 1	Business Day 2	Business Day 2	Business Day 3
After cut-off (Business Day 2)	Business Day 2	Business Day 3	Business Day 3	Business Day 4

## 6.2 Unit Pricing

Unit Trust Fund prices are calculated on a Net Asset Value (NAV) basis. The single price per unit reflects the total assets of a Unit Trust Fund, less permissible deductions, divided by the number of units in issue. The unit prices are calculated daily at close of business and are available the following morning after 10h00.

## 6.3 Bank interest

Please be advised that the Funds operating bank account does not earn interest on any monies held in the account. This means that no interest will be credited to your investment account if monies remain unallocated in the bank account. If a deposit is not allocated to your Investment Account within standard service level agreements at no fault of your own, we will ensure that you are placed in the correction position to ensure you are in no way prejudiced.

## 6.4 Phase-ins

Phase-ins are processed on the 15th day of each month. If the 15th is not a Business Day, the phase-in will be processed on the following Business Day. The Administrator must receive any instruction to cancel or amend a phase-in instruction by 14h00 five Business Days before the scheduled phase-in date. Any instructions received subsequent to this will be processed after that month's phase-in has taken place.

## 6.5 Withdrawal payments

Withdrawal processing will only commence once a valid tax directive is received from SARS.

Payments are facilitated via the sale of units from the Investment Portfolios specified by you on the Withdrawal Form. Only once the proceeds of the sale of units from your investment have been received, less any tax and outstanding fees, will the payment be made to you. Please note that the payment may take a few days to reflect in your bank account and is dependent on inter-bank processing standards. Proceeds will be paid into your bank account only and no third-party payments are permitted. All payments will take place in South African Rands via an electronic fund transfer into a bank account held in your name.

## 6.6 Switching between Unit Trust Funds managed by the same Manager

A switch between Unit Trust Funds at the same Manager will be processed according to the timelines mentioned in 6.1. You will receive the same day's unit price for both the sell and purchase portions of the transaction.

## 6.7 Switching between Unit Trust Funds managed by different Managers

A switch between Unit Trust Funds at different Managers entails a sale of units from the Investment Portfolio at your current Manager and a purchase of units in another Investment Portfolio or Portfolios at the new Manager. The purchase portion of your switch will only be initiated once the proceeds of the sale portion have been received from the Manager(s). The Administrator will make every effort to meet the timelines reflected in the table below once instructions which are complete and correct have been accepted for processing, subject to the turnaround times and liquidity constraints of the Manager.

Business cut-off: 14h00	Unit Price received from Manager (Sale)	Cash Received and Transferred to new Manager	Unit Price received from the Manager (Purchase)	Member Statement reflects instruction
Before cut-off (Business Day 1)	Unit price at close of Business Day 2	Business Day 4	Unit price at close of Business Day 4	Business Day 5
After cut-off (Business Day 2)	Unit price at close of Business Day 3	Business Day 5	Unit price at close of Business Day 5	Business Day 6

## 6.8 Processing order of multiple instructions

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.

## 6.9 General

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

## 7. Rights and Responsibilities of the Fund and the Administrator

### 7.1 Amend the Rules of the Fund

The Trustees may amend the Fund Rules, subject to the relevant legislation and regulatory approval. The latest version of the Rules is available to Members on request.

### 7.2 Comply with Prudential Investment Guidelines

In order to protect a Member's Benefit, the Pension Funds Act 24 of 1956 via the prudential investment guidelines regulates the extent to which a Member may invest in certain asset classes. The Administrator is required to ensure that each Member's investment complies with these asset exposure limits, which broadly speaking are as follows:

- 75% exposure to equities.
- 50% exposure to non-government debt instruments.
- 45% exposure to offshore assets
- 25% exposure to property.

Each Investment Portfolio offered by the Fund will comply with the above limits, and the Administrator may change your Investment Portfolio selection should your Investment Account no longer comply with the guidelines.

### **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 with you to provide you with important information. This includes the following:

- Confirmation of your investment and acceptance as a Member of the Fund.
- Confirmation of changes to your Member details.
- Quarterly investment statements (available on the Hollard Investments' secure online portal). You will receive an investment statement per component
- Annual Effective Cost (EAC) disclosure (available on the Hollard Investments' secure online portal).
- 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.

### **7.6 Close an Investment Portfolio**

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

### **7.7 Maintain professional and fidelity insurance**

The Administrator, the Distributor, the Fund, and the Investment Manager are insured against negligent or dishonest behaviour and fraud.

## **8. Fees and Charges**

### **8.1 Initial Administration Fee**

No initial administration fee is charged.

### **8.2 Initial Management Fee**

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

### 8.3 Financial Advisor Initial Fee

If you and your Financial Adviser agree to a Financial Adviser Initial Fee, as indicated in the application form or any other written communication accepted by the Administrator, the agreed amount will be deducted from the investment before the investment is made. The following initial fees are permitted on the fund:

Source of Funds	Maximum Financial Advisor Initial Fee Permitted
A Retirement Fund Benefit which is transferred in the event of your resignation, retrenchment or dismissal from an employer which results in the termination of your membership from the employer's Retirement Fund	1.50%
A post-retirement Benefit or a Benefit from a Retirement Fund which has been wound up.	1.50%
A Retirement Fund Benefit, transferred at the request of the Member, or in the event of the winding up of the Retirement Fund.	0.00%
A Benefit received as part of a divorce settlement via an approved court order, which the recipient can elect to invest into the Fund.	1.50%

The Financial Advisor Initial Fee is calculated across the total amount contributed across all components and deducted proportionally from each respective component.

### 8.4 Annual Administration Fee

A weighted average fee is charged on the value of your investment across all components and deducted proportionally from each respective component:

Investment Value Across All Components	Annual Admin Fee if fully invested in 3 <sup>rd</sup> Party Manager Funds – Weighted Fee (Excl. VAT)	Annual Admin Fee if fully invested in Hollard BCI Unit trust Funds – Flat Fee (Excl. VAT)*
From R0.0 to R1 million	0.45%	0.25%
Next R500 000	0.40%	
Next R500 000	0.35%	
Thereafter	0.25%	

\*Should the Investor not be fully invested in Hollard BCI Unit Trust Funds within the Investment Account, the annual administration fee will be calculated proportionally using the two fee scales provided in the table above for the respective portfolios.

These fees may differ in certain circumstances. Please make sure to review the fees applicable to your Investment as disclosed on the investment quotation provided when investing in the Hollard Preservation Plan. Should you be an existing Investor please contact the Hollard Customer Care team to enquire on the fees applicable to your Investment Account.

The fee is calculated daily and levied monthly in arrears by deducting units from your underlying Investment Portfolios within your Investment Account(s) to the value of the fee owed. Annual administration 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 Investment Portfolios within your Investment Account (s) or deducted exclusively from your Expense Account if you have selected this option and there is sufficient balance in this account.



## **8.5 Annual Management Fee**

Managers charge annual management fees, which are incorporated into the daily unit price of the Investment Portfolio. These fees vary across the range of Investment Portfolios as well as the class of Investment Portfolio, therefore the Investment Portfolio you choose will determine the fees which you are charged. All fees and charges applicable to your selected Investment Portfolios can be found in the Investment Portfolio list available on the Hollard Investments website.

## **8.6 Financial Advisor Annual Fee**

If you and your Financial Adviser agree to a Financial Advisor Annual Fee, as indicated in the application form or any other written communication accepted by Hollard Life, we will deduct this fee and pay it over to your Financial Adviser. A maximum fee of 1% excluding VAT applies. The fee is calculated daily and levied monthly in arrears by deducting units from your underlying Investment 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 Financial Advisor Annual Fee is calculated across all components and deducted proportionally from each respective component from the underlying Investment Portfolios within your Investment Account (s) or deducted exclusively from your Expense Account if you have selected this option and there is sufficient balance in the account.

## **8.7 Portfolio Management fee**

The Investment Manager levies a portfolio management fee on a Model Portfolio investment, as agreed in the Investment Manager discretionary client mandate agreement. Hollard Investments will deduct this fee and pay it over to the Investment Manager. The fee is calculated daily and levied monthly in arrears by deducting units proportionately from the underlying Investment Portfolios within the Investment Account or exclusively from your Income and Expense Account if you have selected this option and there is sufficient balance in the account. Portfolio Management Fees owed will be deducted before the proceeds of a withdrawal or transfer instruction are paid out, or when a full switch out of a Model Portfolio takes place.

## **8.8 Switching Fee**

We do not charge any fees when you switch between Investment/Model Portfolios.

## **8.9 Value Added Tax**

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

## **8.10 Reporting**

Your investment statement will show the fees that are charged on your investment, except for the Annual Management Fees mentioned above that are included in the unit price of the Investment Portfolios.

# **9. On the Death of the Member**

## **9.1 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.
- Personal details of the deceased, including identity number and age.
- A certified copy of the death certificate.

- The deceased's Investment Account numbers.
- A certified copy of the letter of Executorship.

## 9.2 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 24 of 1956, 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.

## 9.3 Death Benefit

The death Benefit is the value of your investment, less any applicable charges or fees, at the time of the processing of the death claim. Upon receiving notification of the death, the death Benefit will be transferred to a bank account in the name of the Fund.

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 licensed 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.

## 10. The Privacy of Your Information

In order to provide investment products to you, we have to process your personal information. We will treat your personal information with caution and have put reasonable security measures in place to protect it. By signing 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. Below is a summary of how we deal with your personal information. For a more detailed explanation, please read our official Privacy Notice on our website.

**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 tax and other legislation.

**Sharing your personal information:** We will share your personal information with other insurers, industry bodies, credit agencies and service providers. This includes information about your investment, withdrawals, and contribution amounts. We do this to assess withdrawals, prevent fraud and to conduct surveys. If applicable, we may also share your personal information to trace you.

**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.

**Receiving marketing from us:** Please contact us on 0860 202 202 if you want to change your marketing preferences. Remember that even if you choose not to receive marketing from us, we will still send you communications about this product.

## 11. Conflict of Interest

If you wish to access the Hollard Conflict of Interest Management Policy, please contact our Customer Care Team on 0860 202 202 or email [customercare@hollardinvestments.co.za](mailto:customercare@hollardinvestments.co.za).

## 12. 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 as amended and The 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**

## 13. Contact Details

**The Premier Preservation Fund**

**Registered office of the Fund:**

Building 32 First Floor, Cambridge Office Park, 5 Bauhinia Street, Highveld Techno Park, Centurion, 0157

**The Administrator:** Premier Benefits (Pty) Ltd

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

**Physical Address:**

Building 32 First Floor, Cambridge Office Park, 5 Bauhinia Street, Highveld Techno Park, Centurion, 0157

**Tel:** +27 (0) 10 900 5129

**The Distributor: Hollard Life Assurance Company**

**Email:** [customercare@hollardinvestments.co.za](mailto:customercare@hollardinvestments.co.za)

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

**Physical Address:** Hollard Villa Arcadia, 22 Oxford Road, Parktown, 2193

**Postal Address:** PO Box 87419, Houghton, Johannesburg, 2041

**Tel:** 0860 202 202 (If you are calling from within South Africa)

**Tel:** +27 (0)11 351 5000 (If you are calling from outside South Africa)

**Fax:** +27 (0)11 351 3816

**Hollard Compliance:** [compliance@hollard.co.za](mailto:compliance@hollard.co.za)

Hollard is committed to "Creating and Securing a better future" and therefore subscribes to an internal Anti-Fraud policy. Please report any suspicious or unethical activity anonymously on 0801 516 170 (toll free) or via email at [Hollard@tip-offs.com](mailto:Hollard@tip-offs.com)

## 14. Complaints

**14.1** If you have a complaint with regard to this investment, you may lodge a written complaint together with supporting documents to Hollard Life at the following address:

**Physical Address:** Hollard Villa Arcadia, 22 Oxford Road, Parktown, 2193  
**Postal Address:** PO Box 87419, Houghton, Johannesburg, 2041  
**Email:** [customer care@hollardinvestments.co.za](mailto:customer care@hollardinvestments.co.za)  
**Tel:** 0860 202 202 (If you are calling from within South Africa)  
+27 11 351 5000 (If you are calling from outside South Africa)

**14.2** The Hollard Investments Compliance officer can be contacted at [compliance@hollard.co.za](mailto:compliance@hollard.co.za)

**14.3** Hollard Investments shall, on receipt of such complaint:

- 14.3.1 Carry out an investigation regarding the complaint.
- 14.3.2 Provide all the parties involved with copies of the complaint and supporting documents.
- 14.3.3 Instruct the parties involved to provide Hollard Investments, within seven (7) days, with a full written reply to the complaint.

**14.4** Hollard Investments may, after carrying out an investigation, and after informing the parties involved of the intentions to act and affording them a reasonable opportunity to respond thereto:

- 14.4.1 By written notice, require any party involved to take corrective steps which will be appropriate under the circumstances, and
- 14.4.2 Hollard Investments may take any steps available to them in law, to address the complaint.

**14.5** Where you are not satisfied with the decision reached by Hollard Investments, you have the right to submit the complaint to The Pension Funds Adjudicator, whose particulars are as follows:

**Postal Address** PO Box 580, Menlyn 0063  
**Telephone:** (012) 346 1738 / (012) 748 4000  
**Fax:** (086) 693 7472  
**Email:** [enquiries@pfa.org.za](mailto:enquiries@pfa.org.za)

**14.6** If you have a dispute about the advice given in respect of this product, you may contact the Ombud for Financial Services Providers, whose particulars are as follows:

**Postal Address:** PO Box 41, Menlyn Park, 0063  
**Toll-free:** 0860 324 766  
**Email:** [info@faisombud.co.za](mailto:info@faisombud.co.za)

The Ombudsman and Ombud are legally empowered to investigate and adjudicate complaints in a procedurally fair economical and expeditious manner.