

WHAT ARE THE PRESCIENT UMBRELLA FUNDS?

The Prescient Umbrella Pension Fund and the Prescient Umbrella Provident Fund (“the Funds”) are retirement savings vehicles which allow your employees to save for retirement in a tax-efficient manner. As a potential participating employer in the Funds (“Participating Employer”), you may elect join either Fund.

The Funds are individual legal entities which allows numerous Participating Employers to join and thus allow for cost savings, which are generated from economies of scale. The Funds are governed by a board of trustees (“the Trustees”) who are responsible for overseeing the governance of the Funds and ensuring that the Funds comply with all relevant legislation.

WHO ARE THE ADMINISTRATORS OF THE FUNDS?

Prescient Fund Services (Pty) Limited (“Prescient Fund Services”) is the appointed administrator of the Funds. Prescient Fund Services is an approved section 13B administrator and an authorised Financial Services Provider (“FSP”). Prescient Fund Services’ value proposition is to deliver simple, flexible, cost-effective and transparent life and retirement solutions which service the needs of our clients. The following administration services are provided by Prescient Fund Services:

- Member record keeping
- Receipt, reconciliation and allocation of monthly contributions
- Daily unitisation
- Benefit payments
- Levy payments
- IFA fee payments
- Consultant payments
- Registration of rules
- Maintaining financial records
- Reporting to Participating Employer and members

Our current auditors are Ernst & Young.

WHY SHOULD YOU CHOOSE TO JOIN THE FUNDS?

- The Funds are tax-efficient, flexible and cost-effective with a fee structure which is easy to understand.
- Each Participating Employer is able to set its own special rules which apply only to its employees. The special rules govern aspects of the Fund which are specific to the Participating Employer such as employee contribution rates.
- The Funds will give your employees access to a range of Investment Options with exposure to all the relevant asset classes to diversify their retirement benefits.
- Employees are able to select from a range of funds administered by Prescient and managed by third party managers and approved external managers outside of the Prescient stable.

- Participating Employer administration is effortless and secure using a fully integrated system that allows Participating Employers to get updated information and submit real time transactions.
- The Funds are focussed on member and Participating Employer education.
- Withdrawal and claims are automated on line ensuring shorter turnaround times for claims.
- Members have on line access to their Fund value, statements and the ability to change their beneficiary nominations.
- The Participating Employer portal provides you with detailed and updated reports.

HOW DO THE FUNDS WORK?

You must specify the eligibility, that is, which of your employees must join the Fund. Each Participating Employer must select a contribution percentage of their salary that will be paid by the Participating Employer and by the member. You are able to create different percentage contribution rates for specific groups of employees or for your employees to choose from.

The member's Fund value is paid to the member on retirement, death, retrenchment or resignation. The Fund value due to each member will be made up of the following:

- All contributions paid to the Fund
- Any additional amount that an employee may have transferred into the Fund from a previous Participating Employer
- Less any administration fees and charges
- Plus the investment returns earned on contributions

HOW ARE THE FUNDS MANAGED?

The Funds are managed and run by Trustees who have a responsibility to protect members' interests. Their responsibilities include:

- Appointing an administrator to manage the day to day admin of the Funds
- Drafting a set of general rules for the Funds that apply to all members and which say how the Funds must operate
- Managing the Funds in accordance with the general rules and the Pension Funds Act
- Deciding on the range of Investment Options for the members
- Determining members' dependents and deciding how to divide their death benefits

You have the right to see the Fund rules and you can request them directly from Prescient Fund Services.

WHAT COMMUNICATION WILL PARTICIPATING EMPLOYERS RECEIVE?

As a Participating Employer in the Funds you will receive the following:

1. Welcome Pack

Once we have received all of your Participating Employer installation documentation, we will issue you with a welcome pack containing the following:

- A welcome letter confirming your participation in the Fund
- A summary of your take on details
- The terms and conditions of membership
- Your log on details for online access

2. Prescient Online Participating Employer Portal User Guide

Prescient Fund Services will issue you with a user guide to assist you when processing contribution payments, uploading member details, editing Participating Employer details, submitting claims and maintaining member records.

3. Special Rules

Each Participating Employer will be issued with a set of special rules which will set out the specific conditions applicable to you as completed in your installation.

WHAT COMMUNICATION WILL MEMBERS RECEIVE?

It is important for our members to know all about their Fund benefit and for them to be updated with all the changes in the retirement fund industry that may affect their retirement planning. Members will receive from the Fund:

1. Welcome pack

Once your employees become members of the Fund, and we have received their first contribution, we will issue each member with the following:

- A welcome letter confirming their membership of the Fund
- A summary of their membership confirming static details and the contribution percentages selected
- The terms and conditions of membership
- Their log on details for online access
- A Prescient Online Member Portal user guide

2. Annual benefit statement

Prescient Fund Services will send all members, either directly via email or, if selected, via the Participating Employer, a statement at least once a year with each individual's membership details and their Fund value.

3. Investment statements

Members are able to download statements and change beneficiary details using the log on details provided to them at inception. Please refer to our member portal user guide for more information on how to use our Prescient Online Member Portal.

4. Newsletter

Every six months members will receive a newsletter on news and updates about the Fund. This newsletter will be sent either directly via email or, if selected, via the Participating Employer.

WHAT ARE THE INVESTMENT OPTIONS AVAILABLE TO MEMBERS?

The Trustees approve a range of Regulation 28 compliant investment options suitable for members (“Investment Options”), which are available in our latest Investment Option brochure. You have the choice of selecting a maximum of ten Investment Options you would like to make available to your employees. Employees have the choice of investing in four of the ten available Investment Options.

The growth of the member portfolios plays an important role in how much money they will be able to retire with. All investment decisions carry a certain amount of risk. It is the responsibility of the member to make an informed decision on where they would like to invest their contributions. Participating Employers must provide employees with enough information on the Investment Options for their employees to make an informed decision.

WHAT IS IT GOING TO COST YOUR EMPLOYEES?

The following fees will be payable by your employees as members of the Funds:

- A retirement fund expenses fee which is deducted by Prescient Fund Services on behalf of the Funds
- An Investment Option management fee which is accrued within the unit price of the available Investment Options and paid to the Investment Option product provider

The retirement fund expenses fee is an all-inclusive fee which covers the following Fund costs:

- Administration fees which are paid to Prescient Fund Services
- General Fund running costs

The retirement fund expenses fee is calculated as a percentage of the total value of the members’ accounts per annum and is deducted by cancellation of units from their accounts monthly. A minimum fee per employer applies and is allocated on the basis of the values of members’ investment accounts. The fee excludes Value Added Tax (“VAT”). For the sake of clarity, the Funds are not VAT registered and hence VAT is not applicable to the fee. The applicable fee is set out below:

Retirement Fund Expense Fee	Total Value of Members’ Investment Accounts		
	R0-R10m	R10-R25m	>R25m
Percentage fee per annum based on total assets	0.345%	0.288%	0.23%
Subject to a minimum fee per member per month of	R50.00 per member per month		
Subject to a minimum fee per employer per month of	R1,000 per employer per month		

The consulting fees are the agreed upon between the Participating Employer and the consultant.

WHAT CAN EMPLOYEES DO AFTER THEY HAVE LEFT YOUR EMPLOYMENT?

Employees who have resigned, been retrenched or dismissed have the option to preserve their benefit by transferring it tax free into the Prescient Preservation Pension Fund or Prescient Preservation Provident Fund, seamlessly without any additional costs or to another preservation fund. They may also take the full benefit in cash, less any tax deductible as set out in the latest SARS lump sum withdrawal tax tables. If they choose to transfer their benefit to a Prescient Preservation Fund then they are able to keep their investment in the same Investment Options.

WHAT ABOUT EMPLOYEES WHO RETIRE FROM THE FUND?

Members belonging to the Pension Fund can take up to one third of their Fund value in cash at retirement. Tax may be levied on the cash portion taken. The remaining balance must be used to purchase an annuity that will pay an income in retirement.

Members belonging to the Provident Fund can take up to 100% of their Fund value in cash at retirement. Members can also use part or all of their Fund value to purchase an annuity that will pay an income in retirement.

The Funds offer seamless transfers for members who retire. Members are able to transfer into a Prescient Living Annuity policy effortlessly and retain the same Investment Options, without any additional costs.

WHAT HAPPENS IF AN EMPLOYEE DIES?

If a member dies, whilst employed, their dependants will receive their Fund value. The law states that the trustees of the Fund have an obligation to determine who the members legal dependants are and divide the death benefit payment fairly between dependents and nominees. For more information on death benefits, please refer to our death benefit guide.

WHAT ARE YOUR RESPONSIBILITIES AS A PARTICIPATING EMPLOYER?

- Provide Prescient Fund Services with a completed Member Upload File
- Update and maintain all member records through Prescient Online
- Submit the Contribution Upload File containing the employee payroll data on time using Prescient Online
- Ensure that the monthly payment of the contributions is made within the allowed time period
- Submit claims and exits online
- Ensure that members are aware of the options available when they leave your employment
- Ensure members are aware of their options at retirement
- Give members appropriate financial planning tools and relevant educational content to help them with their retirement planning
- Create awareness and educate members on their retirement fund savings

WHAT DO YOU NEED TO DO TO JOIN THE UMBRELLA FUND?

- Submit a fully completed and signed Participating Employer Application Form
- Submit the necessary compulsory documents that must accompany the application form
- Upload the Member Upload File in the format that we will provide to Prescient Online
- Upload the monthly Contribution Upload File in the format we will provide to Prescient Online

WHERE CAN YOU GET HELP?

If you have any questions, please contact Prescient Fund Services at ebadmin@prescient.co.za.

Fund Name	Prescient Umbrella Pension Fund	Prescient Umbrella Provident Fund
FSB Registration Number	12/8/20153	12/8/36671

Disclosure:

The Prescient Umbrella Funds (“the Funds”) are registered with the Financial Services Conduct Authority and approved by the South African Revenue Services for tax purposes. The Funds are administered by Prescient Fund Services (Pty) Ltd (Reg. No: 1998/023727/07, “Prescient Fund Services”). Prescient Fund Services is an approved retirement benefits administrator (Licence No: 765) under section 13B of Pension Funds Act, 24 of 1956 and an authorised Financial Services Provider (Licence No: 43191) under the Financial Advisory and Intermediary Services Act, 37 of 2002. This document was written by Prescient Fund Services for information purposes only and does not constitute advice or a solicitation for investments. It is subject to copyright and may not be altered, copied or reproduced in whole or in part without the written permission of Prescient Fund Services. The Funds and their trustees, and / or Prescient Fund Services cannot be held liable for damages or loss suffered as a result of any action taken based on the information in this document.