

Following is a brief exposition of the main aspects of the rules of the fund and should not be relied on to make any decision without reference to the rules. In case of a conflict with the rules, the rules shall prevail.

## **BANK ACCOUNT**

All money received by and on behalf of the fund shall be deposited in the fund's bank account and credited to the general reserve account, and all payments by and on behalf of the fund shall be made from this account, net of any deductions in terms of the rules of the fund and shall be debited to the general reserve account.

For reasons of administrative expedience, the administrator may set a monthly cut-off date, whereby money received for investment in terms of the rules will be invested not later than the last working day of the month in which it was received, and money received after the cut-off date will be invested not later than the last working day of the month following that in which it is received.

## **EXPENSES**

The fund shall bear all expenses arising from the management of the fund, including investment expenses, actuarial, administration, audit and consultancy fees and other expenses. The fund may recoup these and acquisition costs, including commission payable, renewal expenses and claims expenses from contributions, benefits paid and investment income on such basis as the trustees may decide upon.

## **PROOF OF EXISTENCE**

From time to time the trustees shall request evidence to determine whether the pensioner is still alive. If such evidence is not submitted, the trustees shall have the right to cease, suspend or change the payment of the pension.

## **THE LIVING ANNUITY ACCOUNT**

The assets of the pensioner shall be held in the LIVING ANNUITY ACCOUNT. All transactions relevant to his or her investment shall be recorded in the manner set out below.

For reasons of administrative expedience, the administrator of the fund may set a monthly cut-off date in respect of transactions, whereby the date of a transaction which occurred before the cut-off date shall be deemed to have been the 1<sup>st</sup> day of the month, and the date of a transaction which occurred after the cut-off date shall be deemed to have been the 1<sup>st</sup> of the following month for the purpose of debiting or crediting the LIVING ANNUITY ACCOUNT.

Benefits and transfer values payable shall be transferred from the LIVING ANNUITY ACCOUNT to the fund's general reserve account net of any expenses (see EXPENSES above).

## **INVESTMENT YIELD**

Investment yield in respect of the investments underlying the LIVING ANNUITY ACCOUNT, shall be transferred from the fund's general reserve account to the LIVING ANNUITY ACCOUNT, or vice versa in the case of negative yield, based on the investment yield attained by the fund during the period for which the said earnings are determined, net of any deductions in respect of any expenses payable (see EXPENSES above). Investment yield shall include interest earned at such rate as may be determined by the trustees of the fund from time to time, in respect of monies while in the fund's bank account.

## **INVESTMENTS**

The fund offers its pensioners a choice of different investment portfolios, subject to such conditions as the trustees of the fund

may determine. These portfolios shall, at all times, comply with any prescriptions of the Pension Funds Act.

Investment earnings to be transferred from the general reserve account to the LIVING ANNUITY ACCOUNT, shall be equal to the net investment yield earned by the underlying investment portfolio after deduction of the applicable expenses (refer to EXPENSES above).

The contractual conditions applied to each investment portfolio by the relevant portfolio manager shall apply mutatis mutandis to the pensioner. No investment guarantees are given by the fund, either explicitly or implicitly and the value of the pensioner's investment shall be determined solely by reference to the net value of the specific assets underlying the selected portfolio/s.

## **DEATH BENEFITS**

If a pensioner dies, his or her designated survivor shall receive a pension commencing on the death of the pensioner. However, such designated survivor may request that up to one-third of the balance in the LIVING ANNUITY ACCOUNT, or up to the whole thereof if permitted in terms of the Income Tax Act, may be commuted for a cash lump sum, provided such commutation takes place within six months of the pensioner's death and before any pension installment is paid to the designated survivor.

Should the pensioner not leave a designated survivor, any remaining capital in the LIVING ANNUITY ACCOUNT shall be paid in accordance with the provisions of section 37C of the Pension Funds Act, subject to any restriction in terms of the Income Tax Act.

In the event of the subsequent death of the designated survivor any capital held in the LIVING ANNUITY ACCOUNT shall be disposed of in the same manner.

## **NON-ASSIGNABILITY OF BENEFITS**

Other than as provided in the Pension Funds Act, the Income Tax Act and the Maintenance Act, no benefit or right thereto shall be reduced, ceded, pledged, hypothecated, attached or subjected to any form of execution under a judgment or order of a court.

Subject to section 37B of the Pension Funds Act, no benefit payable to a beneficiary shall form part of the estate of a beneficiary whose estate is sequestrated or surrendered.

Subject to section 37C of the Pension Funds Act, a benefit payable in respect of a deceased beneficiary shall not be regarded an asset in such beneficiary's estate.

## **PAYMENT OF BENEFITS**

Pensions are payable in arrear in equal monthly, calendar quarterly, biannual (30 June and 31 December) or annual (as at 30 June) installments, as required by the pensioner on the first working day of the month following the relevant period.

If pensions are payable monthly, the first payment shall be due at the end of the month in which the pensioner retired, or at the end of the month following the date in which the pensioner died, in case of a pension payable to a designated survivor. If pensions are payable in other intervals the first pension shall be payable at the end of the first interval following the date on which the pensioner retired, or at the end of the interval following the end of the interval in which the pensioner died, in case of a pension payable to a designated survivor. The last pension shall be payable at the end of the month or other interval in which the pensioner or designated survivor dies.

Pensions are paid or transferred to the pensioner's designated account on the first working day of the month following the end of the period for which they are payable.

#### **GENERAL TERMS AND CONDITIONS**

The Benchmark Retirement Fund is a separate legal entity managed by an independent board of trustees in terms of its rules, which were registered and approved for tax purposes under the reference numbers reflected above. The pensioner's signed application form and the rules of the fund form the legal basis for membership of the fund.

The rules of the fund are subject to amendment by the board of trustees from time to time. Any such amendment will apply to all members from the effective date. Any dispute will be dealt with as set out in the rules of the fund.

The fund will invest the capital of the applicant in such portfolio/s as directed by the applicant and will administer the investment within certain reasonable practical constraints and subject to such administrative conditions as it may lay down from time to time.

The fund shall not act upon any instruction unless this is in writing and reflects the signature of the applicant and may for this purpose accept photocopies or facsimiles.