Honey Preservation Plan Simply Put

The Honey Preservation Plan allows clients to invest and preserve retirement fund savings they receive from an employer on resignation.

Key features and benefits

- Your investment is allocated to different components based on when you contributed to a retirement fund as follows:
  1. **Savings Component:** 1/3 of all contributions post 1 September 2024 & growth thereon.
  2. **Retirement Component:** 2/3 of all contributions post 1 September 2024 & growth thereon.
  3. **Vested Component:** All contributions between 1 March 2021 and 31 August 2024 & growth thereon.
  4. **Vested Rights:** All contributions to a provident fund/provident preservation fund prior to 1 March 2021 & growth thereon.
- Investment returns are exempt from Capital Gains tax, Interest income tax and dividend tax.
- The product is exempt from estate duty and executor's fees.
- One withdrawal per tax year (i.e. 1 March to 28 February) is permitted from the Savings Component (minimum withdrawal value of R2 000.00 applies). One full or partial withdrawal is permitted from the Vested Component or from any vested rights held prior to retirement. No withdrawals are permitted from the Retirement Component.

The following options are available to you on retirement (i.e. from age 55) per component:

Component type	Retirement options
Retirement Component	The full value must be used to purchase a compulsory annuity from an insurer.
Savings Component	The full value can be withdrawn in cash, and any amount not withdrawn must be used to purchase a compulsory annuity from an insurer.
Vested Component	One-third of the value may be withdrawn in cash, with two-thirds being used to purchase a compulsory annuity from an insurer. Any amount not withdrawn must be used to purchase a compulsory annuity from an insurer.
Vested Right	The full value can be withdrawn in cash, and any amount not withdrawn must be used to purchase a compulsory annuity from an insurer.

- Choice and flexibility when it comes to what you invest into. Choose from a range of carefully selected Unit Trust funds from reputable asset managers and change your selection at any time free of charge.
- To help give your investment a head start, no upfront administration fees are charged.

The Honey Preservation Fund (Reg. number 12/08/38197), is a registered Fund in terms of the Pension Funds Act 24 of 1956 with registered office B02G002, Building 2, Bridgeport House, Ground Floor Building, Hampton Office Park, 20 Georgian Crescent, Sandton, 2152 (FSP No. 52376), tel. 010 900 5129. Honey Investment Solutions (Pty) Ltd, a subsidiary of Hollard, is the appointed Administrator of the Fund Past performance is not necessarily indicative of future results.

Returns shown (if any) are net of fees unless stated otherwise. Forecasts or projections are not guaranteed and may differ materially from actual results. This material is for information purposes only and is not intended as a solicitation, offer, or recommendation to acquire or dispose of any financial product. This document does not constitute advice as defined in the FAIS Act. Clients are encouraged to obtain independent professional advice before making any financial decisions.

honey INVESTMENT SOLUTIONS

www.honeyinvestments.co.za

Honey Investment Solutions (Pty) Ltd, (Reg. No. 2021/848795/07), an authorised 13B retirement fund administrator (24/816) and Financial Services Provider (FSP No. 52376). Honey Investment Solutions (Pty) Ltd is a subsidiary of Hollard.

Honey Preservation Plan Simply Put

How do I invest?

- A once-off initial contribution of R50 000.00 is required to open an account.
- You can transfer pension monies from an employer or from an existing retirement fund investment at another provider (terms and conditions permitting).
- Download an application form and investment portfolio list from the Honey Investment website www.honeyinvestments.co.za, or ask your Financial Advisor.

How much does it cost?

- A weighted average fee is charged on the value of all your investment accounts held on the platform (Ts&Cs apply).
- A minimum annual administration fee of R110.00 applies per investment account.

Investment Value	Annual Admin Fee – Weighted Fee (excl. VAT)
From R0.00 to R1.5 million	0.40%
Next R4 500 000.00	0.20%
Above R6 000 000.00	0.10%

This fee is charged on the value of your investment across all components and deducted proportionally from each respective component monthly in arrears.

- Your Financial Advisor may charge you an initial and ongoing fee. These fees are negotiable between yourself and your Advisor. A maximum initial fee of 1.5% excluding VAT applies when you transfer monies from an employer fund. No initial advisor fees are permitted on a transfer between preservation funds. A maximum financial advisor annual fee of 1% per annum excluding VAT applies.
- Should you choose to invest via a model portfolio, a portfolio management fee will apply.
- The manager of the Unit Trust funds or other investment options you have selected charges an annual management fee, which will vary per investment option and is incorporated into the investment option unit price.

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Honey Preservation Plan Simply Put

Summary of allocation of contributions & withdrawal / retirement options

Honey Preservation Plan

Timing of Provident Fund Contributions	**Prior to** 1 March 2021	**Between** 1 March 2021 & 31 August 2024	**After** 1 September 2024		***Initial 10% seeding on 1 Sep 2024** (capped at R30 000.00) from Vested Component /Right
Allocated Investment Account	**Vested Right** +	**Vested Component**	***Savings Component**	**Retirement Component** =	**Total Retirement Savings**
Pre-retirement Withdrawals	**One full or partial withdrawal permitted** Taxed at pre-retirement withdrawal tax tables		**Once per tax year Min R2000.00** Taxed at Marginal tax rate	**No withdrawals permitted**	
Retirement Options	**100% can be cashed in or used to buy an annuity**	**1/3 can be taken in cash** 2/3 must be used to purchase an annuity	**100% can be cashed in or used to buy an annuity**	**100% used to purchase an annuity**	**Any portion cashed out** will be taxed at SARS retirement tax tables

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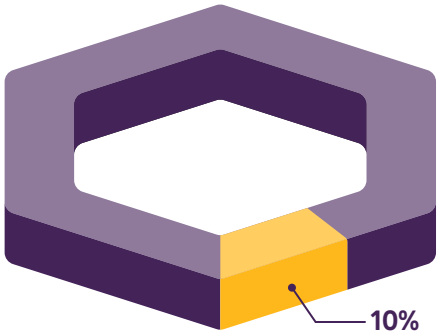
Honey Preservation Plan Simply Put

Saving for retirement: How much is enough?



As low as 10% of people saving for retirement will save enough to make ends meet during retirement

(Source: National Treasury paper: Strengthening Retirement Savings, 2012)

After working for 10 years you need to have **saved** 2x your annual salary for your retirement

(Source: www.sanlambenchmark.co.za)

After working for:

- 20 Years: 4x Salary
- 30 Years: 7x Salary
- 40 Years: 12x Salary

Only 7 million South Africans have access to formal retirement saving through an employer

(Source: Quarterly Labour Force Survey, Quarter 3, Statistics SA, 2)

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