

Disclaimer: Please take note that ARGEN Actuarial Solutions is not a financial advisor to individual members. The answers below relate to the liquidation process and how the Liquidator will handle liquidation benefit payments, all subject to the Rules of the Fund and the restrictions of the Pension Funds Act and other relevant authorities.

Should members require financial advice, they must please contact their Broker or a suitably qualified person that can assist them with financial planning. This includes advice regarding tax issues and other retirement products.

Liquidation of Dynam-ique/IF Umbrella Funds: Frequently Asked Questions and Answers

1. Q: When will the **IF Umbrella Pension Fund** go into liquidation?

A: The liquidation date for IF Umbrella Pension Fund is 28 August 2015.

2. Q: When will the **IF Umbrella Provident Fund** go into liquidation?

A: The Fund will go into voluntary liquidation once the rebuild process is complete, all statutory affairs are updated (Annual Financial Statements – 2014 & 2015 and approval of the 2013 Valuation report by the FSB), the Fund's funding level has been corrected to at least 100% and the Liquidator's appointment has been approved by the Registrar of Pension Funds. We expect this to be during the 1st quarter of 2016 for the IF Umbrella Provident Fund.

3. Q: When will the **Dynam-ique SA Umbrella Pension Fund** go into liquidation?

A: The Fund will go into voluntary liquidation once the rebuild process is complete, all statutory affairs are updated (Annual Financial Statements – 2014 & 2015 and the approval of the 2013 Valuation report by the FSB), the Fund's funding level has been corrected to at least 100% and the Liquidator's appointment has been approved by the Registrar of Pension Funds. We expect this to be during the 4th quarter of 2015 for the Dynam-ique SA Umbrella Pension Fund.

4. Q: When will the **Dynam-ique SA Umbrella Provident Fund** go into liquidation?

A: The Fund will go into voluntary liquidation once the rebuild process is complete, all statutory affairs are updated (Annual Financial Statements – 2014 (audit in progress) & 2015 and the approval of the 2013 Valuation report by the FSB), the Fund's funding level has been corrected to at least 100% and the Liquidator's appointment has been approved by the Registrar of Pension Funds. We expect this to be during the 2nd quarter of 2016 for the Dynam-ique SA Umbrella Provident Fund.

5. Q: Why are there different liquidation dates for the 4 funds?

A: As the sizes and complexity of the Funds are different, the process for each Fund in getting its affairs in order is at different stages of completion and therefore the different provisional timeframes and liquidation dates. The Trustees are also of the opinion that the staggered approach should assist in making each Fund's liquidation period as short as possible.

6. Q: When can I expect to receive my benefit payment?

A: The dates below are expected dates and can change due to circumstances outside our control.

IF Umbrella Pension Fund	1 st quarter of 2016
Dynam-ique SA Umbrella Pension Fund	1 st quarter of 2016
IF Umbrella Provident Fund	2 nd quarter of 2016
Dynam-ique SA Umbrella Provident Fund	3 rd quarter of 2016

7. Q: Will benefit payments include top-up payments for exited members that have not received their full benefit at exit?

A: Yes they will. These payments will be dealt with in the same way as all other benefit payments during the liquidation process.

8. Q: I have not received a benefit statement, please send me a statement.

A: Current active members can be sent a copy of the benefit statement issued by the administrator, Aon South Africa (Pty) Ltd, as at the 2014 financial year-end of the Fund. Copies of these benefit statements can be requested by sending an email with the relevant information to if-dynam-liq@argen.solutions

For the IF Umbrella Pension Fund, benefit statements as at 28 February 2015 have been distributed to the various participating employers' Brokers. If you have not received your individual benefit statements, please forward your information as listed below to if-dynam-liq@argen.solutions

For members who had already exited their Fund prior to the 2014 financial year-end and those members who are still due a top-up benefit, the Liquidator will confirm your membership of the relevant Fund and forward you a benefit statement once the relevant figures have been calculated (following the completion of the 2015 Annual Financial Statements for each Fund).

Please send the following information to: if-dynam-liq@argen.solutions

- i. Full name and surname
- ii. Copy of ID document
- iii. Name of Fund you belonged to
- iv. Date of exit (if applicable)
- v. Fund membership number (copy of previous benefit statement will suffice)
- vi. Contact information
 - a. Landline telephone number
 - b. Mobile telephone number
 - c. Email address

9. Q: I have been waiting for my benefit to be paid following the liquidation of the Fund and I am in financial hardship. Can I get my benefit earlier than the date on which the final liquidation accounts are approved?

A: The liquidation process does allow for interim payments to be made to those who have already left the Fund and who are suffering extreme financial hardship. Such payments can, however, only be considered by the Liquidator once the Fund is in liquidation. Such a request must be properly motivated by the member (via sworn affidavit) to the Liquidator and is subject to the approval of the Registrar of Pension Funds.

Hardship payments are limited to the lesser of (and this is based on your full share of fund value at exit):

- The member's own contributions, and
- 50% of the preliminary liquidation value.

However, for all members who received partial benefit payments before, no further benefit payments prior to the completion of the liquidation process can be considered.

Furthermore, members who are still employed by the same participating employer and who are currently contributing to that employer's new fund will not be eligible for a cash benefit on liquidation. These members will therefore also not be eligible for any hardship payments.

If you have already left the Fund, you can send your request in respect of extreme financial hardship, together with a supporting sworn affidavit to that effect, to if-dynam-liq@argen.solutions for consideration.

10. Q: What is this liquidation costing me as member?

A: **Prescribed Liquidator fees:**

The fees payable in respect of a Fund's liquidation consist of three parts, namely:

- (1) the regulatory fees payable to the Registrar/FSB,
- (2) the Liquidator's remuneration, and
- (3) the cost of advertising the liquidation.

In terms of paragraph (p) of the current Schedule L to the Pension Funds Act Regulations, the **regulatory fees** are as follows:

For services rendered by the Registrar in case of liquidation of a fund in terms of Section 28 of the Act, whether the liquidation has been completed or not, a fee of 20 % of the liquidation fee with a minimum of R690, but not more than R6 770.

Advertising cost is subject to approval by the Registrar.

Liquidator's remuneration

Section 28A of the Pension Funds Act provides for a tariff of remuneration of liquidators to be prescribed by regulation. The current tariff for the Liquidator's basic service is as follows:

On rent, interest, arrear contributions or other income	10%
On gross proceeds of immovable property, shares or similar securities sold or mortgage bonds recovered	1%
On the realisation of all other investments	0.5%
Per member	R15
Per member in redrafting accounts on instructions	R20
Minimum fee	R2 500

Direct legal and actuarial expenses as approved by the Registrar.

Actual Liquidator fees:

The liquidation costs that the Trustees negotiated with the Liquidator will be 0.5% of the Fund's assets as at liquidation date. The Trustees further negotiated that the portion of interest (10%) due to the Liquidator will be payable for a maximum period of 6 months once the Fund goes into liquidation. The Liquidator therefore has every incentive to complete the liquidation process as quickly as possible.

Furthermore, due to the fact that the Liquidator has access to actuarial services, no additional actuarial fees will be charged to the Funds should the Liquidator make use of these actuarial services. The Liquidator has also waived all membership-related fees.

The fee of 0.5% of assets may only be paid to the Liquidator once the liquidation has been approved and payment to members has commenced.

Direct legal expenses as approved by the Registrar will be for the Fund's account.

Responsibilities of the Liquidator

For the above fee, the liquidator takes responsibility for all the Fund's affairs, including:

- Distribution of the assets of the Fund as per the applicable regulations;
- All fiduciary duties of the Trustees are transferred to the Liquidator;
- The Liquidator accepts full responsibility for the investments of the Fund;
- Meeting all regulatory requirements;
- Administration of the Funds, including payment of liquidation benefits;
- All member communication.

11. Q: What is the liquidation process?

A: Please see the separate Summary of the process (as per Appendix 1 of the Broker communication document) on the website

12. Q: How will I know where MY Fund is in the liquidation process?

A: The Funds' website, www.funds-info.co.za, will be updated regularly with each Fund's progress. The Trustees will issue communications prior to the Liquidator's appointment being confirmed by the Registrar of Pension Funds, thereafter the Liquidator will update the website with communiqués.

The IF Umbrella Pension Fund has gone into liquidation effective 28 August 2015. (also see questions 1 to 4)

13. Q: Should I retire/resign early to avoid the liquidation process?

A: We cannot comment or advise regarding "early" retirement or resignation from your employer as this is the individual's own career decision. We do, however, need to warn against "false" withdrawals where individuals claim to resign/retire only to be rehired shortly thereafter. **Access to withdrawal benefits where there is no actual intention to terminate service, is strictly prohibited in terms of the Law.**

14. Q: I will retire/resign before liquidation date, will I receive my benefit before the Fund goes into liquidation?

A: We urge you to communicate with your Employer/Broker to process this exit benefit **ASAP** to avoid the delay in payment once the Fund goes into liquidation. The Liquidator is not in control of benefit payments prior to his appointment being approved by the Registrar of Pension Funds, however, we have agreed a process with Aon South Africa (Pty) Ltd regarding exits. Please send all exit forms to if-dynam-liq@argen.solutions

It is therefore critical that ALL the relevant documentation be submitted to us as a matter of urgency. Anything preventing payment of your benefit before the time the Fund goes into liquidation will further delay any payments till the conclusion of the liquidation process.

15. Q: I will resign/retire after the proposed liquidation date, when will I receive my benefit payment?

A: Once the specific Fund is in liquidation, your benefit will be pended until the liquidation process is complete. See answers to Question 6.

16. Q: I have not been paid my benefit prior to the liquidation date.

A: Once the specific Fund is in liquidation, your exit payment will be pended until the liquidation process is complete. See answers to Questions 6.

17. Q: Can I receive a cash benefit?

A: No cash benefits will be available to active members, i.e. those members who are still in employment at the participating employer. If your employer established a new fund, your benefit will be transferred to the same fund, otherwise your liquidation benefit will be transferred to a preservation fund.

If you have already left your employer, exited the Fund and not been paid out or have only received a partial benefit, then what is still owing to you may be paid in cash after any tax due is deducted.

18. Q: I left the Funds long ago but have not received a benefit, what should I do?

A1: If your Fund is not yet in liquidation, please contact your former participating employer to obtain the necessary withdrawal forms and supporting documentation requirements and forward them to: if-dynam-liq@argen.solutions

Please ensure that your former participating employer has also signed/stamped your withdrawal forms.

A2: Should your Fund already be in liquidation, your benefits/further benefit, should there be any benefit due to you, will be processed as part of the liquidation process.

Please provide the following information:

- i. Full name and surname
- ii. Copy of ID document
- iii. Name of Fund you belonged to
- iv. Date of exit (if applicable)

- v. Fund membership number (copy of previous benefit statement will suffice)
- vi. Contact information
 - a. Landline telephone number
 - b. Mobile telephone number
 - c. Email address

19. Q: Why did the Trustees choose the liquidation route and not just transfer my benefit to my new fund?

A: The Trustees did consider the Section 14 (transfer) route with assistance from their professional advisors. The liquidation route was found to be the most equitable route for ALL stakeholders of the Funds. As the liquidation process is a highly regulated process (by the Registrar of Pension Funds), the liquidation process is designed to provide ALL stakeholders with an equal opportunity to claim their rightful share in the Fund and lodge queries and/or objections during the process.

All such claims can then be considered by the Liquidator and addressed accordingly. In this process, no one group of members will be unfairly advantaged/prejudiced compared to another group, **something the Section 14 process cannot guarantee.**

20. Q: Where will my money be invested during the liquidation process and will I still have my investment options?

A: You will only be able to switch investment portfolios up to the month before the expected liquidation date (see questions 1 – 4 for expected liquidation date). Thereafter, no further switches will be allowed. A notice will appear on the Funds' website www.funds-info.co.za advising the last month during which investment switches will be accepted.

Once the fund goes into liquidation, the Liquidator will assume responsibility for all the assets of the Fund. The Fund's assets will then be consolidated into an investment with the necessary liquidity (to be able to pay benefits quickly) and short-term capital protection (in order to ensure that liquidation benefits cannot reduce in value during the liquidation process). We are in the process of consulting with our investment advisors how to best achieve these 2 objectives while not removing all exposure to the equity market.

21. Q: I really want to speak to the Liquidator!!!! Not some Call Centre!!!

A: There are thousands of members in the Funds and in order for the Liquidator to complete the liquidation in the proposed timeframes he unfortunately cannot engage in individual phone calls. If your query is not answered by one of the existing Frequently Asked Questions on the website, please forward your query to if-dynam-liq@argen.solutions. The Office of the Liquidator will respond to all reasonable queries as soon as possible.

22. Q: I'm a Broker appointed by the participating employer, why does the Liquidator want to communicate directly to my members and not through me as in the past?

A: We appreciate the relationship between Brokers and Members through their employer and that you might want to keep communication exclusive between yourself and your clients. However, as the Office of the Liquidator, we are obliged to communicate directly with members of the Fund once the Fund is in liquidation since the Liquidator cannot delegate this function to a third party.

All general communication documents regarding the liquidation process and progress will be regularly published on the Funds' website to which you have access as well.

The Liquidator will not take over any previous service arrangements between the Funds and their Brokers and will also not enter into any new arrangements. Any time spent by you as Broker will therefore not be billable towards the Funds and/or the Liquidator.

23. Q: Broker query: How will I know which members still have liabilities/benefits due in the Fund? When can I expect membership status to be released indicating who is still entitled to benefits in the Funds (active employees/members, unclaimed and top up members) per respective Participating Employers in the Funds?

A: The Trustees approved the provision of member status statistics to Brokers/Employers, breaking the membership of participating employers down into active members, members entitled to top up benefits and unclaimed members, to be provided in a consistent and controlled manner, just like the benefit statements, staggered by Fund. The anticipated timelines are as follows:

Fund	Deadline
IF Umbrella Pension Fund	Already distributed
Dynam-ique SA Umbrella Pension Fund	Already distributed
IF Umbrella Provident Fund	18 September 2015
Dynam-ique SA Umbrella Provident Fund	16 October 2015

Please encourage any exited members who have yet to claim their benefits or who are still due top-up benefits to send their updated contact details to the Liquidator at: if-dynam-liq@argen.solutions

Please note that the member status statistics do not mean updated Benefit Statements as at the Funds' 2015 year-end date. Benefit Statements will only be produced once the necessary rebuild exercises have been completed and the relevant statutory submissions have been made to the FSB. To date, the IF Umbrella Pension Fund Benefit Statements as at 28 February 2015 have been distributed to the Fund's Brokers and employers for distribution to members.

24. Q: I am the financial advisor/spouse/uncle to Mr/Mrs XYZ and need a copy of his/her benefit statement in order to provide my advice regarding his/her financial position. Reasons for this request range from:

- I am and always been the financial advisor to Mr/Mrs XYZ
- I am his/her spouse
- It is a family member
- They have no access to email and asked me to get a copy
- This member is no longer in the country

A: The Fund/Trustees/Liquidator can only provide this information to either the member, the employer's appointed Broker or a person with the required authorisation from the member. Kindly forward us your appointment letter from the member where you are authorised to request the information. Alternatively, the member can send you the information directly.

25. Q: I need a copy of my IRP5 for tax purposes.

A: Please send us a request for a copy of your IRP5 to if-dynam-liq@argen.solutions with the following information:

- Full names and Surname
- ID number
- Fund name
- Participating employer name

26. Q: How will any shortfall in the Fund be funded?

A: In terms of the Rules of the Fund any shortfall shall be funded from members' Shares of Fund. The shortfall in the Fund will be determined by the Fund's Valuator once the 2015 annual financial statements are available for distribution to members' Shares of Fund prior to the Fund being placed in liquidation.

The same Rule will apply once the Fund is placed in liquidation if there should be any changes to the Fund's financial position during the liquidation process.

The Fund will therefore be brought to at least a 100% funding level prior to liquidation and will remain fully funded during liquidation. The employer will therefore not be liable for any shortfall in the Fund in terms of Section 30 of the Pension Funds Act.

27. Q: How will any shortfall/surplus in the Fund be apportioned to members and former members?

A: Any surplus or shortfall in the Fund will be allocated to all members and former members who still have any outstanding benefits in the Fund. The surplus or shortfall will be distributed in proportion to each member's gross benefits accrued in the Fund.

The gross benefit in respect of former members used for this proportionate distribution is

based on the members' benefit at date of exit, before any benefit payments, rolled forward with interest to the liquidation date.

The Liquidator's Call Centre Number is operational during business hours:

(Monday to Thursday 08:00 to 17:00 and Friday 08:00 to 15:00)

0860 383 683