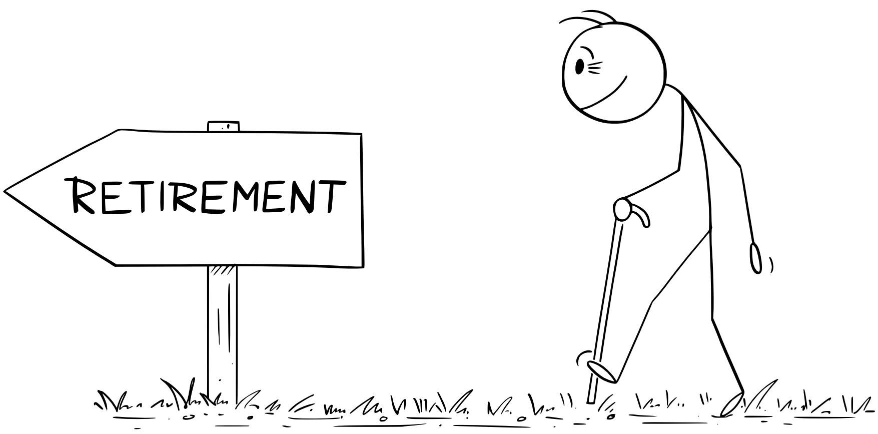
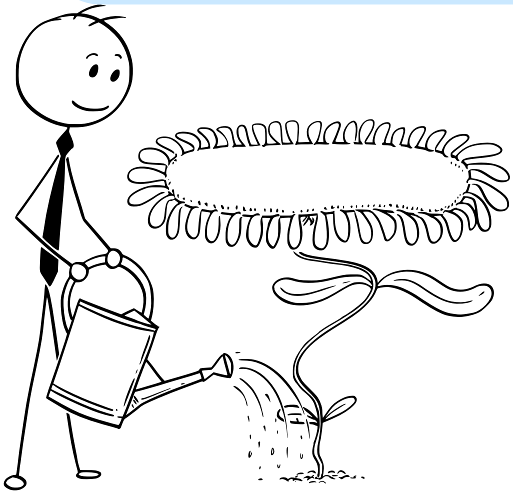
PRISM
EMPLOYEE BENEFITS

EDUCATIONALS

WHERE CAN WE INVEST AS A RETIREMENT FUND?



REGULATION 28 (REG 28) IS A RULE IN SOUTH AFRICA THAT PROTECTS YOUR RETIREMENT SAVINGS BY MAKING SURE YOUR MONEY IS INVESTED RESPONSIBLY. IT IS PART OF THE PENSION FUNDS ACT, AND APPLIES TO RETIREMENT ANNUITIES, PENSION FUNDS, PROVIDENT FUNDS AND PRESERVATION FUNDS.



WHAT IS REG 28?

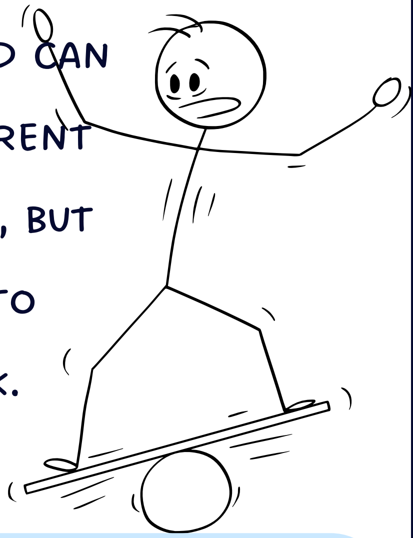
Regulation 28 tells retirement funds/ asset managers how to invest your money so that it is:

- Well-diversified (not all eggs in one basket)
- Likely to grow consistently over time

The goal is to protect your retirement money while still helping it grow.

WHAT CAN WE INVEST IN UNDER REG 28?

REG 28 SAYS YOUR RETIREMENT FUND CAN INVEST IN DIFFERENT TYPES OF ASSETS, BUT WITH LIMITS TO MANAGE RISK.



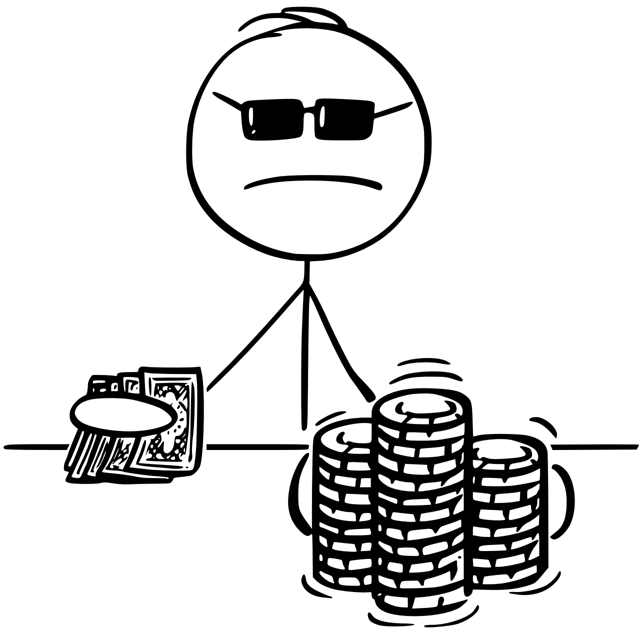
ALLOWED INVESTMENTS (WITH LIMITS):

Investment Type	Maximum % Allowed
Shares / Equities (on the stock market – local and foreign)	75% total (max 45% offshore + 10% Africa)
Property (like buildings or REITs)	25%
Bonds / Government Debt	No set limit (can be a large portion)
Cash (e.g. money in bank or money market)	100% (but usually only used for short term)
Hedge Funds, Private Equity	15% combined (10% for hedge funds, 10% for private equity)

So, if you're investing through a retirement product (like a Retirement Annuity or Pension Fund), <u>your provider must stick to these limits</u>.

WHY IS REG 28 IMPORTANT?

- IT REDUCES THE CHANCE OF BIG LOSSES BEFORE YOU RETIRE.
- IT SPREADS RISK ACROSS DIFFERENT ASSET CLASSES (SHARES, PROPERTY, BONDS, ETC.).
- IT HELPS YOUR MONEY GROW STEADILY, NOT SUDDENLY GO UP AND DOWN TOO MUCH.
- IT ENSURES YOUR FUND MANAGERS DON'T GAMBLE WITH YOUR RETIREMENT.



KEY TAKEAWAYS FOR WORKERS

- REG 28 APPLIES TO RETIREMENT SAVINGS — NOT OTHER TYPES OF INVESTMENTS LIKE UNIT TRUSTS OR TAX-FREE SAVINGS ACCOUNTS.
- IT MAKES SURE YOUR MONEY IS SAFE, DIVERSE, AND GROWING.
- YOUR MONEY CAN'T ALL BE PUT INTO ONE RISKY PLACE LIKE SHARES OR OFFSHORE INVESTMENTS.
- IF YOU WANT TO TAKE MORE RISK, YOU CAN DO THAT OUTSIDE OF RETIREMENT PRODUCTS.

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