



LEGAL
PROVIDENT FUND

ANNUAL TRUSTEE REPORT

31 March 2021



THE CHAIR'S REPORT

The Board of Trustees of the Legal Provident Fund ("the Fund") is pleased to present this report to you, our valuable members. The aim of this report is to give you an overview of the management, activities, and financial results of the Fund as at 31 March 2021, as well as general retirement fund information.

The year 2020 was a landmark year that will go down in our history books as the year of years when it comes to the unexpected. It is almost hard to believe that it's already over 18 months since we were confronted with one of the biggest disruptions to our lives. We have all needed to make some changes, both in our world of work and our personal lives, over this time. It is worth pausing and reflecting on how resilient we all have been.

In this report we review the changes within the Fund since our last report to you.

1. Excluding members who were 55 years or older on 1 March 2021, all members who retire on or after 1 March 2021 may only take a maximum of one-third of their non-vested portion as a lump sum in cash and the balance must be used to purchase an annuity from a registered South African pension provider (unless the total benefit is R247 500 or less).

Part or the whole of your vested portion (the amount you invested plus investment returns before 1 March 2021) may be commuted in full as a cash lump sum. Any amount not taken as a lump sum must also be used to buy a pension. It is important to remember that tax will be deducted on the amount that you take in cash on retirement.

The administrator is required to maintain a record of your vested and non-vested portion. If you are aged 55 years or older on 1 March 2021, all of your contributions after 1 March 2021 will still be allocated to your vested portion.

2. Following a review, the Fund appointed Deloitte as auditors for the 31 March 2021 financial year end, replacing BDO who have been the auditors for more than ten years. The Fund appreciates the dedicated service provided by BDO over these years.
3. Following the most recent comprehensive review of the Fund's investment strategy, the Board of Trustees agreed to replace the Alexander Forbes Investments Real Return Focus Portfolio with the Alexander Forbes Investments Conserver Portfolio. This change happened on 16 April 2021.
4. In respect of death and disability benefits, COVID-19 has had a very negative impact on claims experience. Setting renewal terms for 2021 was very challenging and resulted in a reduction in the insured death benefit and an increase in the disability income benefit premium rate from 1 July 2021.
5. Also, from 1 July 2021, the office of the Information Regulator took up its oversight and enforcement functions as enabled in the Promotion of Access to Information Act ("POPIA"). The Fund is taking the necessary steps to ensure its processes and those of all service providers processing personal information are compliant and fit for purpose.
6. Looking a little further forward, the transformation of the financial services industry in line with B-BBEE requirements, together with the heightened focus on sustainability reporting and disclosure requirements, are matters in progress. The Board is taking the necessary steps to work towards the measurement and verification of the Fund's transformation credentials.

Finally, a big thank you to the 194 members who completed the Member Survey that was distributed in January 2021. A summary of the outcome of the results and the winners of the lucky draw are included in this report.

As Chair, I would like to thank the Board of Trustees, the Principal Officer, the Deputy Principal Officer, and our service providers for their contribution to the successful management and functioning of the Fund throughout the year.

Keep well and stay safe,

Hannine Drake
The Chair of the Legal Provident Fund

YOUR TRUSTEES

In terms of the registered rules, the Fund is managed by a Board of Trustees (“Trustees”) made up of:

- ✚ Four Independent Trustees, professionals who are not employed by any service provider or any of the employers that participate in the Fund, and
- ✚ Four Sponsor Trustees appointed by the Law Society of South Africa (“LSSA”) and the General Council of the Bar (“GCB”).

The Trustees who continue to hold office are:

Sponsor Appointed Trustees

Mr David Bekker	LSSA
Ms Zanele Nkosi	LSSA
Ms Asha Sewpersad	LSSA
Ms Eunice Masipa	LSSA Alternate
Mr Jacques Malan	GCB
Mr Elias Phiyega	GCB Alternate

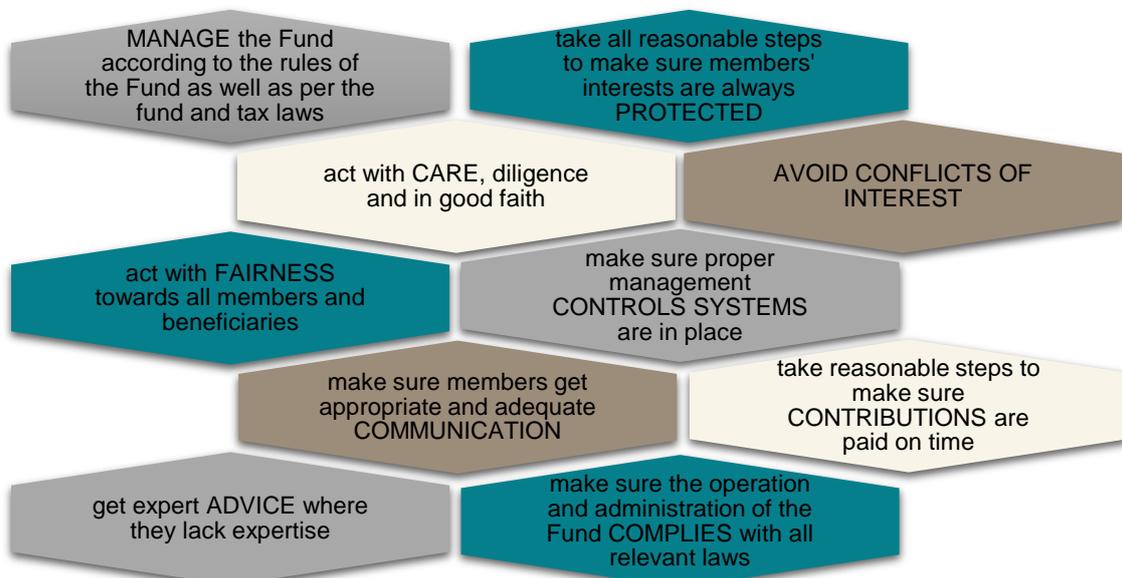
Independent Trustees

Mr Iqbal Ganie
 Ms Hannine Drake
 Ms Jolly Mokorosi
 Ms Janine Player

Chair and other appointed Officers

Chair	Ms Hannine Drake
Principal Officer	Ms Jeanine Astrup
Deputy Principal Officer	Ms Kim Druzynski
Authorised person (legal duty to monitor & ensure compliance with Section 13A of the Pension Funds Act that governs when contributions must be paid to the Fund and the information required to process these contributions)	Ms Jeanine Astrup
Information Officer (in compliance with the Protection of Personal Information Act)	Ms Jeanine Astrup

Each Trustee has an area of expertise that adds diversity and depth to the whole Board. The Trustees meet formally at least three times a year to review the legal, benefit, financial, investment and governance framework of the Fund. The duties of the Trustees are summarised below:



SERVICE PROVIDERS

Consultants

- Alexander Forbes - appointed to provide general consulting services and asset consulting services.

External Auditor

- Deloitte - audit the financial statements of the Fund annually.

Insurer

- Sanlam - provides the following insured risk benefits (as chosen by your employer):
 - Death benefit and the linked lump sum disability benefit
 - Monthly disability Income benefit

Administrator

- Alexander Forbes - Responsible for maintaining member records, payment of claims, managing the bank account, paying expenses and recording and maintaining information required for statutory reporting and reporting to the Trustees.

Investment Manager

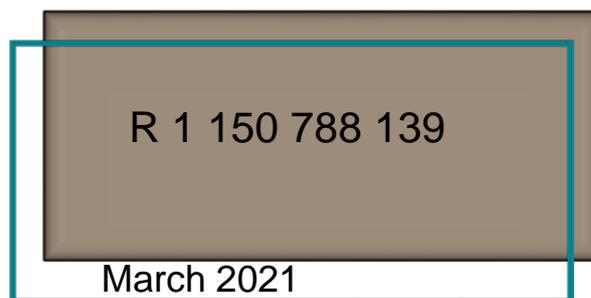
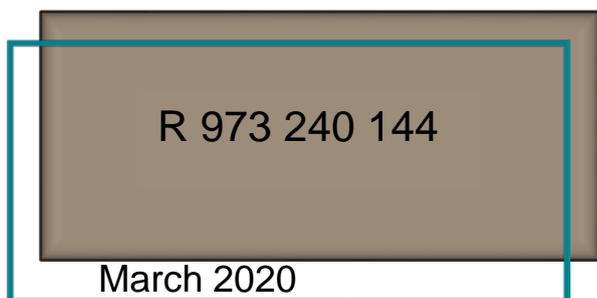
- Alexander Forbes Investments - a multi-manager appointed for their expertise in constructing portfolios and appointing asset managers to invest the assets in line with agreed mandates for the portfolios.

INTERESTING FUND FACTS

The Fund is an umbrella fund that has over 300 participating employers, who all practice law and who operate throughout South Africa. The table below shows how many members have joined and left the Fund over the 12 months to 31 March 2021:

Active members at 1 April 2020	4 217
New members	336
Transferred from other funds	2
Adjustments	5
Less:	
Members who withdrew	331
Members who were retrenched	230
Members who retired	66
Members who died	15
Members who transferred to other funds	17
Adjustments	65
Active members at 31 March 2021	3 836

The Fund's total assets under management increased over the period from the end of March 2020 to 31 March 2021:



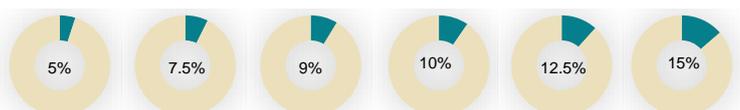
CONTRIBUTIONS

Your own contributions

Members who, in terms of their conditions of employment, are required to contribute to the Fund pay a member contribution of **5%** towards the Fund.

Your employer's contributions

Your employer pays one of the following percentages towards the Fund:



ADDITIONAL VOLUNTARY CONTRIBUTIONS

Remember if you cannot contribute at a higher contribution rate, you can make additional voluntary contributions to the Fund. You can choose to make a monthly additional voluntary contribution either as a fixed percentage, for example 2%, or a Rand value, for example R200 per month, or you can contribute a lump sum each year, say R5 000.

If you choose to contribute a lump sum, you will need to provide FICA requirements before the Fund will accept your additional voluntary contribution.

Your additional voluntary contribution must be made through your employer payroll. You will therefore need to arrange with your employer to pay over your additional voluntary contribution/s. The Fund does not accept payments from individual member bank accounts.

Additional voluntary contributions form part of your tax deductible allowance and are invested in exactly the same way as your "normal" contributions. No additional charges apply if you wish to make additional voluntary contributions.

INSURED RISK BENEFIT RATES AND BENEFITS TO APPLY FROM 1 JULY 2021

Certain participating employers have elected to provide their employees with insurance benefits. The table below summarises these insurance benefits and the premiums payable, as determined by Sanlam the appointed insurer, with effect from 1 July 2020 and 1 July 2021.

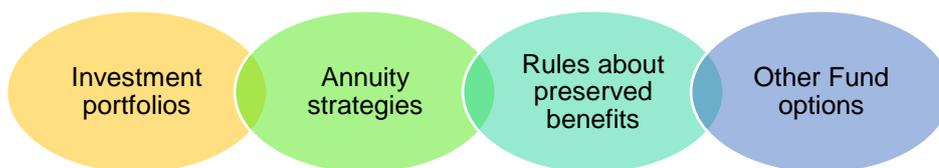
Benefit	Premium 1 July 2020 to 30 June 2021	Premium 1 July 2021 to 30 June 2022
Directors and senior employees nominated death benefit cover. An amount selected in multiples of R50 000 up to a maximum of R4 000 000	R0.631 per R1 000 of cover	R0.578 per R1 000 of cover
Directors and senior employees nominated cover lump sum disability benefit. An amount equal to the nominated death benefit cover	R0.336 per R1 000 of cover	R0.326 per R1000 of cover
Death benefit a multiple of 3.3 times Fund salary up to 30 June 2021. With effect from 1 July 2021 the level of cover changed to 2.7 times annual Fund salary.	1% of fund salary	1% of fund salary
Permanent and total disability benefit a multiple of 3.3 times Fund salary. With effect from 1 July 2021 the level of cover changed to 2.7 times annual Fund salary.	0.8% of fund salary	0.8% of fund salary
Death benefit a multiple of 6.75 times Fund salary up to 30 June 2021. With effect from 1 July 2021 the level of cover changed to 5.4 times annual Fund salary.	2% of fund salary	2% of fund salary
Permanent and total disability benefit a multiple of 6.75 times Fund salary. With effect from 1 July 2021 the level of cover changed to 5.4 times annual Fund salary.	1.5% of fund salary	1.5% of fund salary
Monthly disability benefit 75% of Fund salary, payable after a three-month waiting period	0.372% of fund salary	0.78% of fund salary

The impact of COVID-19 on the economy has negatively affected claims patterns. Due to the increase in the number of claims and the value of the claims submitted and expected to be submitted, the death benefit cover levels changed, and the monthly disability income benefit premium increased.

SOLUTIONS TO HELP YOU REACH YOUR MILESTONES

RETIREMENT BENEFITS COUNSELLING

The Fund has appointed Alexander Forbes to provide Retirement Benefit Counselling to its members. This service is available to all members at **no charge**. Retirement Benefit Counselling involves information and education on the following: (it is not financial advice) and there is no charge for using this service:



When can you access Retirement Benefits Counselling:



A dedicated team of counsellors is available at the My Money Matters Centre to provide one-on-one counselling to members to assist in understanding their options before they make a decision. This is free for all members. It enables contact with members in their language of choice, and in every corner of our country.

You can contact the My Money Matters Centre at:

Telephone: 0860 000831

Email: mymoneymatters@aforges.com

YOU HAVE THE OPTION OF CHOOSING IN-FUND SOLUTIONS WHEN YOU LEAVE OR RETIRE FROM THE FUND

You are on a journey to financial well-being and your investment in the Fund aims to help you reach your retirement savings goal. Your investment in the Fund will potentially reach the end of its journey in one of three ways:

- Leaving the Fund on termination of service with your employer (resignation, retrenchment, dismissal), or
- Reaching retirement
- Passing away

Your options instead of taking cash when you leave the Fund

There are many different ways for you to keep your retirement savings invested:

Keep your retirement savings invested in the fund:
preserve it in-fund

Transfer your retirement savings to another fund:

- A preservation fund
- A retirement annuity of your choice
- Your new employer's fund

THE TAX BENEFITS

On retirement or on passing away you can access up to R500 000 tax free across all your retirement savings, subject to the prevailing tax legislation, **in your lifetime**. However, this means that each time you withdraw your retirement savings in cash when you leave an employer, you use up a portion of your tax-free allowance. So, when it comes time for you to retire, you will have less of this tax-free benefit available and may be taxed substantially – depending on how much you've taken in cash during your working career.

The Fund is required to provide members who exit the Fund and elect to preserve their benefit with a "paid-up" certificate within 60 days of leaving the Fund. To ensure that certificates reach members who exit please ensure that you provide your forwarding contact details to the Fund, if you exit the Fund:

- Cell phone number
- E-mail address
- Forwarding residential and postal address

Making up for lost time

If you have previously taken your retirement savings in cash when you changed jobs, it is important to get professional financial advice to find out how you can make up for what you have already taken in cash. You may need to re-adjust your retirement goals based on the savings you will have at retirement.

Keeping your retirement savings invested for the future is a huge responsibility placed on the retirement fund industry. We all need to work together to make our retirement outcomes better.

Get financial advice

If one of your goals should be to be more involved and informed with your finances, it may be time to find a professional adviser to help you reach your financial goals.

Getting financial advice from a licensed financial adviser is highly recommended. Your financial adviser can help you make informed financial decisions on investment and risk management, as well as help you to understand the retirement options available. You'll need to consider the following:

- ✓ The expected value of your retirement savings
- ✓ Your retirement income needs.

KEY MESSAGE

Taking your retirement savings in cash when you change jobs will affect your financial security at retirement. If you're thinking of changing employers, consider your options and get professional financial advice before making any decisions.

Financial advisers are experts in their field and are committed to helping you reach your financial goals. They do this by:



But remember, it's about you, and what you need, not what the financial adviser wants to sell you!

Appointing a financial adviser

Any good relationship takes **time** and every good financial plan takes time to unfold. Take the time to find an adviser you feel comfortable with, that listens to you, answers your questions directly and communicates in a way you understand. Here are some checks to finding your financial adviser:

Make sure your adviser is licensed, qualified, experienced and resourced

Your adviser needs to be licensed with the FSCA (have an FSP number that appears on all communication) and be "fit and proper" in terms of the Financial Advisory and Intermediary Services Act.

You should ask your financial adviser what qualifications enable him/her to give advice, whether he/she is a member of the Financial Planning Institute (this body has a code of conduct which all members must follow), if he/she is accredited as a Certified Financial Planner (CFP® designation) and how many years of experience he/she has as well as his/her speciality .

If you have financial needs over and above retirement planning, make sure your adviser is part of a practise that has a depth of resources and expertise in other areas, for example, healthcare, investments, tax planning, estate planning etc.

Establish how the relationship is going to work.

This includes:

The services agreement, indemnity insurance, fees and value for money

The service agreement should document both your and the adviser's expectations, what protections are in place for you, including the level of indemnity cover in place, full disclosure on how the financial adviser is remunerated and what you will receive in return. Fees are important but you must also understand the value that the financial adviser adds for what he or she charges. A financial adviser should be able to demonstrate the value they have added in return for the fees charged.

Full disclosure on fees includes commission, asset-based charges and any other fees applicable. Ask for the likely Rand value – don't just accept percentages listed in a table.

How advice is delivered

Has he/she followed the process set out in law to conduct a comprehensive overview of your financials (the numbers) and personal (what matters most to you) circumstances now and where you would like to see yourself in future, discuss what your goals are and how you feel about your circumstances, present suitable alternatives to address your needs (and the gaps you may have to meet them), set out the alternatives (the financial products) and the recommendation/s (the one that is a good fit for you) in a written report, provide a written record of the reasons why the recommendation was made and discuss the reasons with you so you have a clear understanding of whether the product addresses the identified needs and goals ?

Accessibility and "after sales" service

Can you phone if you don't understand something and what are office hours? When will you meet again, what happens if the law changes, or there is a financial crisis, or your goals and personal life have changed. Your adviser is required to review your plan annually but should be monitoring it far more regularly, should discuss whether you are on track at least quarterly and be there for you if there is a crisis or emergency.

Finally, please find an advisor that you personally connect with, that you **trust** and that truly cares so that you experience a mutually beneficial long-term relationship.

RULE AMENDMENTS

The following amendments were registered during the 12-month period up to 31 March 2021 and a quick summary is provided:

Rule Amendment 28

- ✚ To allow, in cases where an Employer ceased to exist or ceased to operate, and the benefits of the Members related to such Employer were paid in accordance with the Rules of the Fund, the Trustees to determine the date on which the Employer's participation in the Fund terminated;
- ✚ To clarify the Fund's practice as it relates to the termination of an Employer's participation in the Fund due to the non-payment of contributions; and
- ✚ To provide that an alternate independent Trustee may be appointed.

Rule Amendment 29

Due to the current world pandemic caused by COVID-19 and the financial difficulty that Members and Employers are still experiencing as a result of the impact being more far reaching and lengthy than initially anticipated, to extend the period for contribution relief by a further period of six months (maximum period of relief is twelve months).

Rule Amendment 30

- ✚ To no longer distinguish between pension preservation funds and provident preservation funds in the Rules since changes in tax legislation have made this unnecessary;
- ✚ To replace the definition of “Registered Insurer” with a revised definition of “Insurer” and remove reference to the Long-term Insurance Act following changes in legislation;
- ✚ To give effect to changes in tax legislation by providing for the annuitisation of retirement benefits and the protection of existing vested rights;
- ✚ To provide that a Member who retires from Service may leave his benefit in the Fund until such time as he makes an election with regard to payment of the benefit;
- ✚ To allow a Member who has retired from Service and has not yet elected to receive payment of his benefit, to transfer the benefit to an Approved Retirement Annuity Fund or an Approved Preservation Fund;
- ✚ To clarify that a Member who has left Service may, prior to attaining Normal Retirement Date, elect to receive payment of a portion of his withdrawal benefit as a lump sum and transfer the balance to another retirement fund; and
- ✚ To clarify that a Preserved Member who has attained Normal Retirement Date may only retire from the Fund, or transfer his/her benefit to an Approved Retirement Annuity Fund or Approved Preservation fund.

UPDATE ON LEGISLATION: POPIA

The Protection of Personal Information Act 4 of 2013 (“POPIA”) is the comprehensive data protection legislation enacted in South Africa. POPIA aims to give effect to the constitutional right to privacy, whilst balancing this against competing rights and interests, particularly the right of access to information.

The Act applies to any person or organisation who keeps records relating to the personal information of anyone, unless those records are subject to other legislation which protects such information more stringently.

As a registered South African entity, the Fund is required to comply with POPIA. The Fund is committed to privacy and the protection of all personal information for which it is responsible. To assist the Fund to do so, and as is required in terms of POPIA, the Fund has appointed Ms Jeanine Astrup as the Fund’s Information Officer.

The Fund has developed a compliance framework, which includes processes and policies to comply with the requirements of POPIA. The Fund and the administrator’s Privacy Statement is available on the Fund website: www.legalprovidentfund.co.za

Members have the right to complain to the Information Regulator about an alleged interference with the protection of their personal information. The contact details of the Information Regulator are as follows:

- Physical: JD House, 27 Stiemens Street, Braamfontein, Johannesburg, 2001
- Postal: P.O Box 31533, Braamfontein, Johannesburg, 2017
- Complaints email: complaints.IR@justice.gov.za
- General enquiries email: inforeg@justice.gov.za

FINANCIAL INFORMATION

A summary of the Fund's financial position as at 31 March 2021 is provided below. This information is taken from the audited approved Annual Financial Statements. The Annual Financial Statements received an unqualified audit opinion. These statements are submitted to the Financial Sector Conduct Authority for scrutiny.

Total Fund assets	R1 187 716 628
Yearly contributions	R 100 944 314
Benefits paid	R 164 948 386

Statement of Net Assets and Funds as at 31 March 2021

	Current period (R)	Previous period (R)
Non-current assets		
Investments	1 150 857 378	973 240 144
	<u>1 150 857 378</u>	<u>973 240 144</u>
Current assets		
Accounts receivable	444 484	673 724
Contributions receivable	1 073 832	1 100 857
Cash at bank	35 340 934	40 996 778
	<u>36 859 250</u>	<u>42 771 359</u>
Total assets	<u>1 187 716 628</u>	<u>1 016 011 503</u>
FUNDS AND LIABILITIES		
Members' funds and surplus account		
Member's individual accounts	1 153 283 617	977 913 012
Amounts to be allocated	424 472	0
	<u>1 153 708 089</u>	<u>977 913 012</u>
Reserve accounts		
Reserve accounts	470 327	916 912
	<u>470 327</u>	<u>916 912</u>
Total funds and reserves	<u>1 154 178 416</u>	<u>978 829 924</u>
Non-current liabilities		
Unclaimed benefits	997 443	890 796
	<u>997 443</u>	<u>890 796</u>
Current liabilities		
Benefits payable	31 019 064	34 683 879
Accounts payable	1 521 705	1 606 904
	<u>32 540 769</u>	<u>36 290 783</u>
Total funds and liabilities	<u>1 187 716 628</u>	<u>1 016 011 503</u>

Abridged Statement of Contributions received, net investment income, other income, benefits, and Fund administration expenses for the period ended 31 March 2021.

	Current period (R)	Previous period (R)
Contributions received and accrued	100 944 314	112 602 221
Net investment income	250 130 684	(54 509 331)
Other income	504 066	160 023
	<u>351 579 064</u>	<u>58 252 913</u>
Benefits	164 948 386	159 918 049
Administration expenses	6 119 577	6 081 807

THE FUND'S DEFAULT INVESTMENT STRATEGY

In this section we look at the default investment strategy and the information that is legally required to be provided to members invested in the default investment strategy. The information that must be provided is:

- Asset allocation and top ten shareholding in each portfolio
- Investment performance compared to the portfolio benchmark for each portfolio
- The expense ratios for each portfolio

When a member joins the Fund, their contributions will automatically be invested in the default portfolio that is designed to be cost-effective and appropriate, unless a member wishes to set their own investment strategy and choose a portfolio for that strategy from the member individual choice portfolios offered by the Fund.

The Trustees have designed the default investment strategy with the assistance of expert investment advisers. You may remember that in April 2021, the Fund advised that the Trustees agreed to replace the Alexander Forbes Investments Real Return Focus Portfolio with the Alexander Forbes Investments Conserver Portfolio. This change occurred on 16 April 2021. The reasons for this change are summarized below:

Real Return Focus Portfolio	Conserver Portfolio
The portfolio has not achieved its performance target over three and five year periods	The portfolio has achieved its performance target over three and five-year periods
The portfolio has similar risk characteristics to the Conserver portfolio	The portfolio has achieved its performance target even though the risk characteristics are similar to the Real Return Focus portfolio
The investment fee is slightly higher than the Conserver portfolio (the policy fee is 0.69% of total Fund assets invested)	The investment fee is slightly lower than Real Return Focus (the policy fee is 0.59% of total Fund assets invested)

This is the only change that has been made to the default Lifestage portfolio. The Performer and Banker portfolios have met their performance targets and the fees remain appropriate and fair for the investment performance achieved. As a result of the legal requirement to report on investments as at 31 March 2021, this report includes information about the Real Return Focus Portfolio even though this portfolio is no longer part of the default Lifestage or member investment choice.

The Fund's default investment strategy is the Lifestage Portfolio

The broad principles behind a Lifestage strategy are that there are three important stages during a member's savings journey and at each stage a member needs to be invested in the right portfolio at the right time. When a member joins the Fund, their savings will automatically be invested in the default portfolio that is designed to be cost-effective and appropriate, unless they wish to set their own strategy and elect a portfolio for that strategy from one of the individual member choice portfolios. These stages are summarised below.

1

The accumulation stage - up to 10 years prior to reaching the normal retirement age of 65

At this stage a member needs to be invested in growth assets such as equities. Even though equities are more volatile than other asset classes, they offer higher returns over the long term (the long term is generally more than 7 years) and at this stage of a member's life they have time before retirement so even if the market drops in value they can remain invested and be part of the recovery when the markets do recover. The accumulation portfolio is the **Performer Portfolio**.

2

The pre-retirement stage - from 10 years prior to retirement

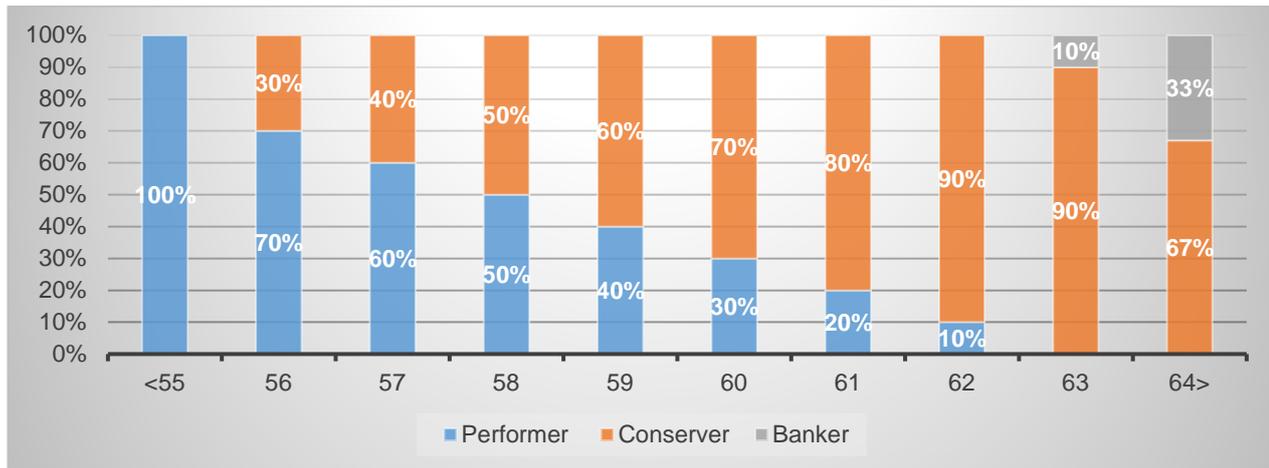
At this stage a member has less time to retirement and therefore should the markets drop the impact on the member may be more severe. When members reach five years from retirement they begin phasing down into a more conservative portfolio to protect the savings they have accumulated. The pre-retirement portfolio is a combination of the Conserver Portfolio and the Banker Portfolio. In the 10 years before age 65 years you are gradually phased into the pre-retirement age until you are 100% invested in the year you turn age 65 years.

3

The post (after) retirement stage – which can last more than 30 years

At this stage a member is no longer working and may now be receiving a monthly pension that they will use to finance their living expenses. The type of pension a retiring member purchases will depend on the individual member and their own financial position.

THE LIFESTAGE PORTFOLIO FROM 16 APRIL 2021 IS ILLUSTRATED BELOW:



ASSET ALLOCATION

This is where you get to see how much is invested locally and offshore, how much is invested in equities, bonds, cash, property and other investment types, and in which types of industries the local equity investments are made.

PERFORMER	South Africa	Africa	Global	Combined
Equity Excluding Property	43.8%	0.9%	23.8%	68.5%
Property	1.7%	0.0%	0.7%	2.5%
Bonds	16.4%	0.0%	1.8%	18.3%
Cash	2.1%	0.0%	1.1%	3.2%
Commodities	1.3%	0.0%	0.0%	1.3%
Alternatives	6.0%	0.3%	0.0%	6.3%
TOTAL	71.3%	1.2%	27.5%	100%

REAL RETURN FOCUS	South Africa	Global	Combined
Equity Excluding Property	24.3%	9.7%	34.0%
Property	2.3%	0.5%	2.8%
Bonds	27.1%	2.6%	29.7%
Cash	13.6%	3.2%	16.8%
Commodities	0.3%	0.0%	0.3%
Alternatives	16.2%	0.0%	16.2%
TOTAL	83.9%	16.0%	100%

BANKER	South Africa
Bonds	33.4%
Cash	66.6%
TOTAL	100%

TOP 10 SHARES HELD IN EACH PORTFOLIO

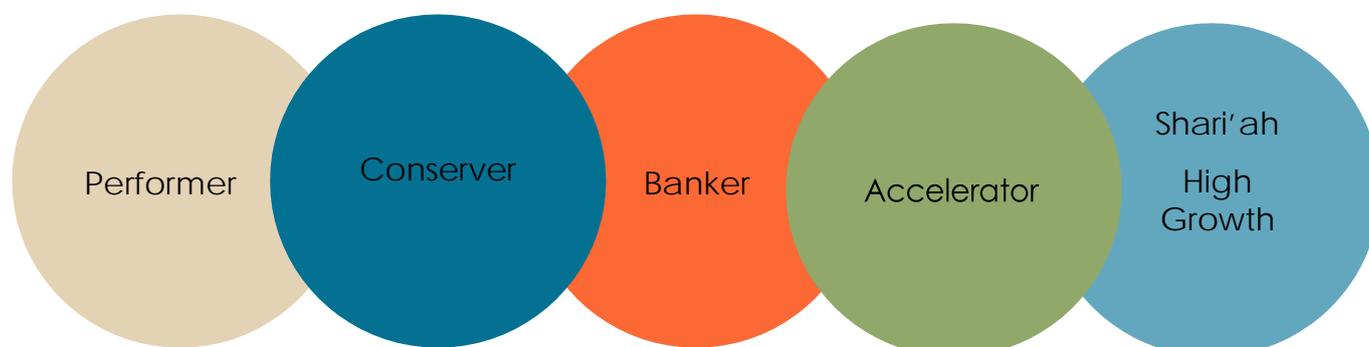
PERFORMER	
HOLDINGS	WEIGHT
Naspers	5.58%
British American Tobacco Plc	2.14%
FirstRand Bank Ltd	2.11%
Standard Bank Group	2.06%
Anglo American	1.94%
Impala Platinum Hlds	1.77%
BHP Group Plc	1.60%
Sasol	1.28%
MTN Group	1.27%
Sibanye Stillwater Ltd	1.21%
Total	20.95%

REAL RETURN FOCUS	
HOLDINGS	WEIGHT
Naspers	2.53%
Anglo American	1.70%
British American Tobacco Plc	1.64%
Standard Bank Group	1.39%
MTN Group	1.30%
Impala Platinum Hlds	1.13%
FirstRand Ltd	0.98%
ABSA Group Ltd	0.91%
Anglo American Platinum	0.90%
Sasol	0.73%
Total	13.21%

BANKER	
HOLDINGS	WEIGHT
Standard Bank Group Ltd	21.0%
FirstRand Bank Ltd	15.4%
Nedbank Group Ltd	14.1%
ABSA Group Ltd	13.4%
Investec Bank Ltd	6.6%
South Africa (Republic of)	6.5%
Mercedes-Benz SA (Pty) Ltd	2.2%
Amber-house Fund 7 (RF) Ltd	1.7%
Land and Agricultural Bank of SA	1.7%
SA National Roads Agency Ltd	1.5%
TOTAL	84.2%

INVESTMENT PERFORMANCE – INVESTMENT CHOICE PORTFOLIOS

In addition to the default investment strategy (the Lifestage investment strategy), members can choose their own investment portfolio, or a combination, from the following portfolios:



NOTE: From 16 April 2021, the Real Return Focus Portfolio is no longer available to members in the choice portfolio. The Real Return Focus Portfolio was replaced with the Conserver Portfolio.

You can obtain more information about each portfolio by looking at the monthly Fact Sheets produced by Alexander Forbes Investments. These Fact Sheets can be accessed at: <https://www.alexanderforbesinvestments.co.za>.

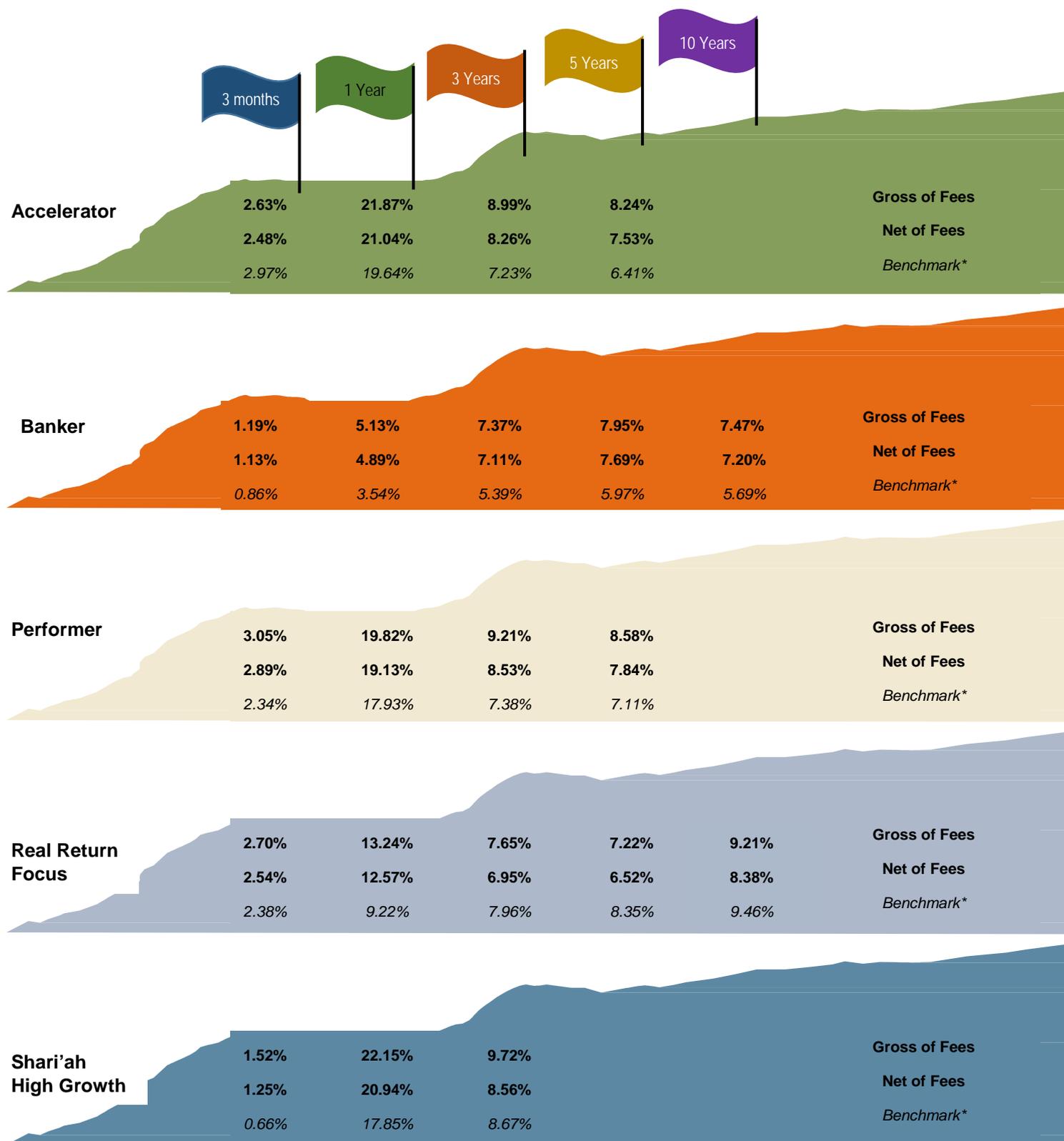
PERFORMANCE OF THE MEMBER INVESTMENT CHOICE PORTFOLIOS AND PORTFOLIO FEES

The portfolio returns provided below are shown before and after the deduction of the investment manager's fees as at 31 March 2021, being the financial year end of the Fund. We have also provided more recent investment returns as at 30 June 2021:

Investment Returns – 31 March 2021

Name	1 Month	3 Months	6 Months	YTD	1 Year	3 Years	5 Years	10 Years	15 Years	Fund Size
Accelerator										
Gross of Fees	1.91%	10.30%	17.84%	10.30%	36.80%	9.63%				5 588 873.97
Net of Fees	1.76%	10.03%	17.34%	10.03%	35.70%	8.89%				
Benchmark	0.78%	7.72%	15.72%	7.72%	33.77%	7.48%				
Banker										
Gross of Fees	0.41%	1.21%	2.34%	1.21%	5.64%	7.67%	8.21%	7.52%	8.25%	67 259 117.22
Net of Fees	0.39%	1.15%	2.21%	1.15%	5.40%	7.41%	7.94%	7.24%	7.92%	
Benchmark	0.31%	0.85%	1.73%	0.85%	3.80%	5.65%	6.14%	5.74%	6.61%	
Performer										
Gross of Fees	0.45%	7.71%	14.28%	7.71%	31.59%	9.92%	8.14%			823 766 468.89
Net of Fees	0.40%	7.53%	13.93%	7.53%	30.84%	9.24%	7.39%			
Benchmark	0.94%	7.54%	14.68%	7.54%	31.64%	8.15%	6.92%			
Real Return Focus										
Gross of Fees	0.83%	5.44%	8.92%	5.44%	19.25%	7.78%	7.12%	8.97%		251 995 682.22
Net of Fees	0.77%	5.28%	8.57%	5.28%	18.53%	7.07%	6.42%	8.13%		
Benchmark	1.01%	2.18%	3.63%	2.18%	6.95%	7.93%	8.42%	9.47%		
Shari'ah High Growth										
Gross of Fees	2.40%	10.87%	18.05%	10.87%	39.56%	11.07%				2 177 996.97
Net of Fees	2.31%	10.58%	17.43%	10.58%	38.20%	9.89%				
Benchmark	2.13%	9.87%	14.65%	9.87%	39.45%	11.79%				

Investment Returns – 30 June 2021



* A benchmark is used as a value to measure how an investment portfolio is performing and if it is delivering on its performance objectives.

Conserver – Inception date 16 April 2021

TOTAL EXPENSE RATIO AND TOTAL INVESTMENT CHARGE AS AT 31 MARCH 2021

Legislation requires that the Fund discloses the total fees and costs incurred in the management of the Fund's investment portfolios. The Trustees are very conscious of the importance of managing costs and have provided costs measures used in the industry below.

These standards are the total expense ratio (TER) and transaction costs (TC). The sum of TER and TC equals the total investment charges (TIC). These ratios are provided over a twelve-month period to 31 March 2021.

PORTFOLIO NAME	AVERAGE ANNUAL SERVICE CHARGE (INCL VAT)	TOTAL EXPENSE RATIO (TER)	TRANSACTION COSTS (TC)	TOTAL INVESTMENT CHARGES (TER + TC)
Accelerator	0.60%	1.00%	0.27%	1.27%
Banker	0.25%	0.26%	0.00%	0.26%
Performer	0.53%	0.82%	0.05%	0.87%
Real Return Focus	0.68%	1.03%	0.04%	1.07%
Shari'ah High Growth	1.10%	1.09%	0.11%	1.19%

Total Expense Ratio ("TER")	Transaction Costs ("TC")
<p>The TER is a measure used by investors and advisors to determine how much of a Portfolio's underlying assets are paid for services provided by the investment administrator. These costs would typically include fixed management fees, admin fees, performance fees, custody fees and audit fees.</p> <p>These fees are typically used to pay the investment administrator for the daily running of the fund.</p>	<p>TC is a measure that can be used by investors and advisors to determine the costs incurred in buying and selling the underlying assets of a portfolio.</p> <p>These fees would include brokerage fees, VAT and Forex spread costs.</p>
Total Investment Charge ("TIC")	
<p>The TIC is the sum of the TER and TC.</p> <p>Expenses impact investment returns over time, particularly in an environment where an investment strategy is out of favour for an extended period, which results in the expense being a bigger part of the return at the early stages of the investment, thus requiring a longer term period for the investment returns to be meaningful.</p> <p>A higher TER or TIC does not necessarily mean lower returns because it largely depends on the investment manager's skill and the market environment.</p> <p>The Trustees would caution members against making an investment decision purely based on cost. Members are strongly encouraged to consult with their financial adviser when making any investment decision.</p>	

POST-RETIREMENT ANNUITY STRATEGY

When a member reaches retirement, they will be offered the option to secure an annuity (regular monthly pension income) in terms of the annuity strategy that the Trustees determined to be an appropriate and cost-effective option that retiring members could consider. The Trustees adopted the following default annuity strategy:

<p>The choice of annuity (or annuities) remains that of the retiring member.</p>	<p>With-profit annuity with Old Mutual</p> <p>This is a with-profit annuity managed by Old Mutual. In a with-profit annuity your annuity income will never decrease, regardless of how long you live or investment market performance. The annuity income increases each year as determined by Old Mutual, and it is this new level of income each year which is guaranteed never to decrease.</p>
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You can obtain quotations for a with-profit annuity with Old Mutual. You can contact the My Money Matters Centre for information on the Fund's annuity strategy. There is no cost to you to obtain this information (other than any standard call charges that may apply). If you contact Old Mutual directly to obtain quotations, and you decide to take up the with-profit annuity, no commission will be payable. You can contact Old Mutual at:

Telephone: 0860 388 873

Email: fundselect@oldmutual.com

Website: www.oldmutual.co.za/fsa

If you need more guidance from your accredited financial adviser before making a decision, he or she can request a quote on your behalf, and then commission, as negotiated with your adviser, will be payable.

The Trustees strongly recommend that you obtain financial advice before selecting any annuity product. Three months prior to retirement, a document setting out your retirement options will be made available.

Remember these options are not compulsory and retiring members can compare these options to any other options available in the annuity market and make their decision based on their own personal circumstances and income needs.

INVESTMENT STRATEGY STATEMENT

The statement is intended to explain and summarise the investment strategy of the Legal Provident Fund ("the Fund") to members and other stakeholders.

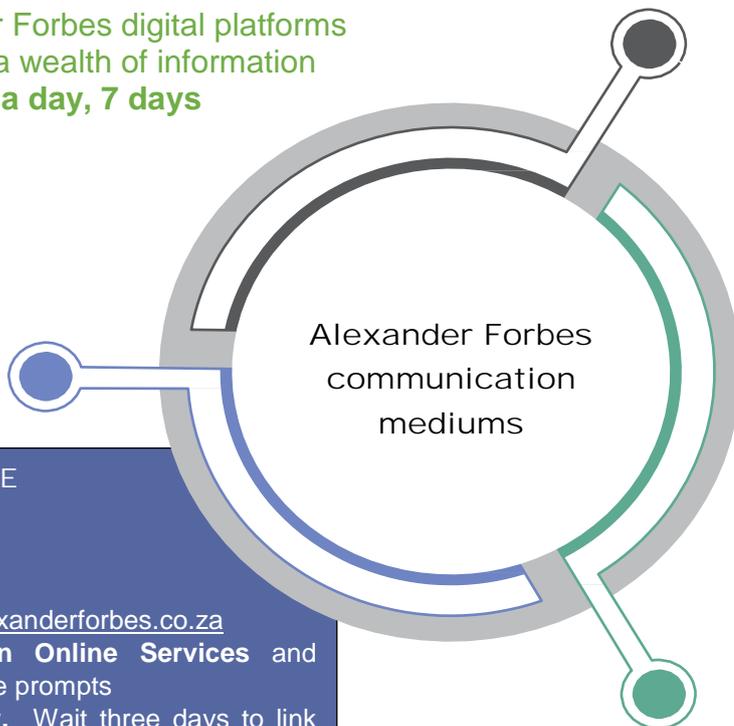
- The Fund is a defined contribution provident fund. Members participate directly in the investment performance of the Fund's investments and retirement outcomes are not guaranteed.
- The Fund informs members of the level of retirement income they could reasonably expect to purchase at retirement, given their existing retirement savings in the Fund, their current contributions to the Fund and expected future investment returns. Various assumptions are made to project retirement outcomes and these outcomes are not guaranteed.
- The Fund uses a default Lifestage investment strategy where members' retirement savings are gradually moved from the Fund's growth portfolio to the retirement and fixed interest money market portfolios from ten years before normal retirement age, unless members opt out. The Fund uses the growth portfolio to try to achieve a long-term real return of CPI +5%. To stand a good chance of achieving this return, the portfolio has a relatively large exposure to share markets and the investment risks associated with these markets. This is the default investment portfolio for younger members.
- As members get closer to retirement, the default strategy is for retirement fund assets to be invested more conservatively to reduce the risk of capital loss and to better match the cost of purchasing a pension at retirement. Members can opt out of the Lifestage portfolio and then select portfolios from the investment choices available to members of the Fund. Members can ask their employer or HR representative for the member booklet if they are interested in this option.
- The Fund participates in pooled investment portfolios together with other retirement funds. These investment portfolios are provided and managed by the Fund's appointed multi-manager, Alexander Forbes Investments. The Trustees frequently monitor the performance of the Fund's investment portfolios and, should the Trustees believe it to be appropriate to do so, the Trustees will replace the multi-manager or investment portfolios with more suitable manager(s) or investment portfolios.
- The Fund has also made certain retirement products available to members in line with default regulations.
- The Trustees will review the Fund's investment strategy at least every year to ensure that it remains appropriate for the Fund and its members.

ALEXANDER FORBES DIGITAL SOLUTIONS

Real-time information at your fingertips

Reading your member communication is becoming easier and more accessible for you. Now you can access your personal retirement fund information through **three digital solutions**: AF Online, the AF mobile app and AF USSD (an SMS tool).

Alexander Forbes digital platforms offer you a wealth of information **24 hours a day, 7 days a week**



AF ONLINE

HOW

1. Log onto www.alexanderforbes.co.za
2. **Click on Online Services** and follow the prompts
3. **Register.** Wait three days to link your Alexander Forbes products to your online profile

WHAT

- Investment balances
- Retirement savings statements
- Fund fact sheets
- Personal details
- Investment portfolios
- Media section and products section
- FAQs
- Talk to us
- Short-term insurance policy details

AF MOBILE APPLICATION

HOW

1. **Go to the Apple app store** or the Google Play store on your phone
2. Search for **Alexander Forbes** and download for free

WHAT

- Investment balances
- Retirement savings statements
- Fund fact sheets
- Personal details
- Investment portfolios
- Media section and products section
- FAQs
- Talk to us
- Short-term insurance policy details

AF USSD

HOW

1. **Dial *120*MYAF#** and follow the menu prompts to register
2. If you don't have an online profile, your products will need to be linked to your profile – which may take up to three working days
3. **Dial *120*MYAF#** to get your savings balance

WHAT

- Your retirement savings and investment balances

NOMINATION OF BENEFICIARY FORM

Keeping your nomination of beneficiaries form updated

Your family will get a benefit from the Fund if you die. It's very important to keep the information on your nomination of beneficiaries form updated so you can enjoy peace of mind, knowing that your loved ones will be taken care of when you're no there to look after them anymore.

There are a few ways to update or complete your nomination of beneficiaries form:

1

Speak to someone in your human resources department or employer to get a copy of the form

3

Mobile app: not registered yet?

This app is available as a FREE download on the Apple app store and Google Playstore. Simply search for Alexander Forbes You won't be disappointed! get a copy of the form

2

Log on to

www.alexanderforbes.co.za and use AF Online. Select **Online Services** and follow the menu prompts. Once you've registered, you'll receive confirmation that your registration is complete.

Remember:

- Include all the people who are financially dependent on you on the form, for example your spouse and children.
- Write out a percentage for each person to get (and give reasons if it is 0%).
- Give your completed form to your human resources representative to keep with your file.
- If we have your email address, you'll receive an emailed copy when you complete it on AF Online and the app which you can give to your human resources department or employer for safe keeping.

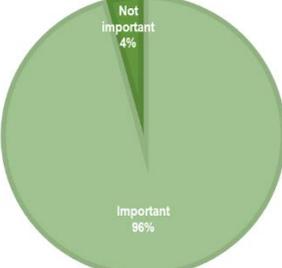
MEMBER SURVEY

A member survey was distributed to members in January 2021. The aim of the survey was to understand member's experience of the services offered by the Fund to improve the Fund's communication and other services the Fund provides to you and other members. Thank you to the 192 members who participated in the survey and congratulations to our 5 lucky draw winners who each won a R2 000 shopping voucher:

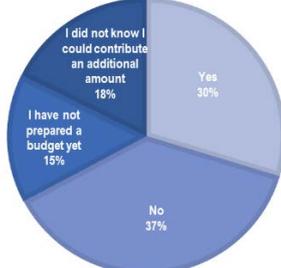


A summary of the responses received is provided below and this may resonate with you:

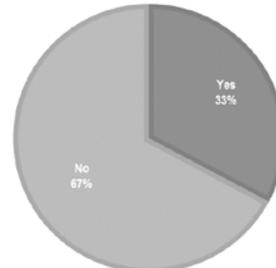
How relevant do you believe contributing to a retirement fund is?



Did you consider increasing your contribution rate to the Fund?



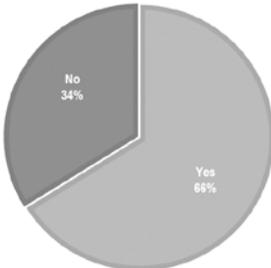
Do you know you can change your contribution percentage?



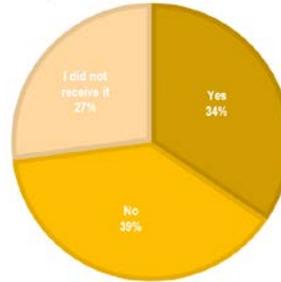
Have you downloaded the Alexander Forbes mobile app?



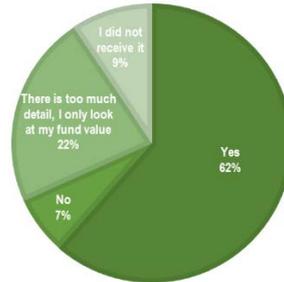
Do you know where you can find general information and communication?



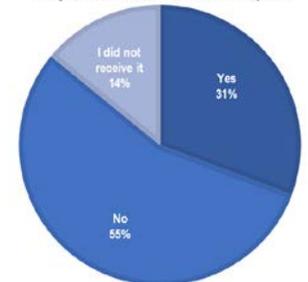
Did you read the member booklet?



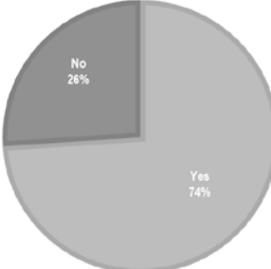
Did you view your benefit statement?



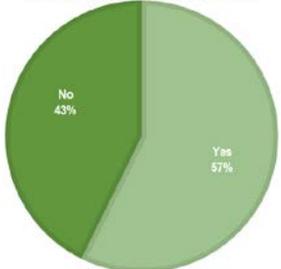
Did you read the Annual Trustee Report?



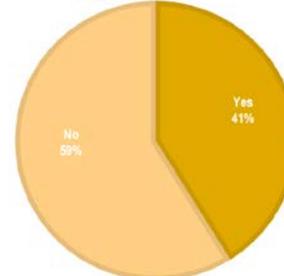
Do you think that there is enough communication from the Fund?



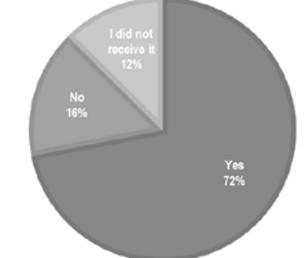
Do you know if you are "on track" to be financially secure in your retirement?



Do you know that you can update your form on AFOnline?



Do you find the communication issued by the Fund helpful?



Did you record changes in circumstances in your Dependants and Nominees form?



ANY QUESTIONS

The Fund Website

The Fund's website gives you access to retirement fund news and information at the click of a button.

The website address is:
www.legalprovidentfund.co.za

General fund questions and complaints

As a member of the Fund, you have the right to see the rules of the Fund and the financial statements.

If you have any questions, comments or suggestions about the Fund, your benefits, investments or any other Fund-related issues, please contact the administrator or the Fund contact.

If you need assistance with an administration issue, please contact the administrator at:
zzlpf@aforges.com

If you have any questions, comments, or suggestions about the Fund, please contact the Fund at:
Zzlegalprovidentfund@aforges.co.za

If you are not satisfied with the reply, you can escalate your query to:

Principal Officer

Ms Jeanine Astrup

Email: jeanines@cadiant.co.za

If you are still not satisfied with the response contact:

The Office of the Pension Funds Adjudicator

Telephone: 087 942 2700

Fax: 087 942 2644

Email: enquiries-jhb@pfa.org.za

The FAIS Ombud

Telephone: 012 470 9080

Fax: 012 348 3447

Email: info@fairsombud.co.za

Financial Sector Conduct Authority registration number: 12/8/6313

If there are any conflicts between the information in this trustees' report and the official rules of the fund, the rules of the fund will always apply.