

The Coronation Endowment Plan is a policy issued by Coronation Life Assurance Company Limited (hereafter referred to as "Coronation Life") under the provisions of the Long-term Insurance Act, No. 52 of 1998. The Coronation Endowment Plan is administered by an administrator appointed by Coronation Life from time to time. The current administrator is Old Mutual Investment Administrators (Pty) Limited (hereafter referred to as "the Administrator"). The current investment options available to investors are those unit trust funds managed by Coronation Management Company Limited (hereafter referred to as "Coronation Manco") and made available by Coronation Life as the investment options under the Coronation Endowment Plan.

## 1 INVESTMENT OPTIONS

- 1.1 The Coronation Endowment Plan allows investors the opportunity to invest in the unit trust funds offered by Coronation Manco. This does not imply any endorsement by Coronation Life and you retain the risk of and remain responsible for the selection between the various funds at all times.
- 1.2 The investments in the investment funds are made and will be administered subject to the provisions of the Collective Investment Schemes Control Act, No. 45 of 2002, in accordance with the deeds of such funds and subject to Coronation Manco's fee structure as amended from time to time.
- 1.3 Coronation Life will invest the net investment amount into the investment option(s) chosen by you from time to time. Coronation Life shall reinvest all income and accruals arising from the investment options from time to time, which shall be regarded as forming part of your Coronation Endowment Plan.
- 1.4 Coronation Life does not provide any guarantees in relation to any investment performance. Values of units within unit trust funds fluctuate relative to the market values of the underlying securities comprising the portfolio. The investor carries the investment risk inherent in the chosen underlying investment option(s).
- 1.5 All investments held under the Coronation Endowment Plan are owned by Coronation Life and you have no right to specific investments held under the Coronation Endowment Plan.

## 2 FEES AND CHARGES

- 2.1 The annual management fee on the underlying investment option(s) selected will be charged by Coronation Manco as indicated on the Unit Trust Fee Schedule and as amended from time to time.
- 2.2 An annual administration fee of 0.228% per annum, charged monthly in arrears, will be levied on the market value of the investment portfolio which includes an amount calculated to compensate for VAT costs. This fee will be subsidised by Coronation.
- 2.3 Financial advice fees as agreed to in the *Financial Advice Fees* section of the application form will be levied.
- 2.4 Statutory charges such as income tax and capital gains tax will be recovered from the Coronation Endowment Plan.
- 2.5 All fees and charges are subject to amendment by Coronation Life and Coronation Manco as the case may be, provided that due notice is given when the fee or charge is increased or a new fee or charge is added. Coronation Life shall not change the Financial Advisor initial and annual advice fees unless instructed in writing by the investor.
- 2.6 There is no charge for switching between the available investment options.

## 3 TERMS, LOANS AND SURRENDERS

- 3.1 The initial term of the Coronation Endowment Plan is **five (5) years**, as this is the minimum term allowed by the Long-term Insurance Act. This Act also restricts liquidity during this period to a maximum of **one (1) loan** and **one (1) surrender** during this period. The Coronation Endowment Plan does not currently allow loans, but will allow **one (1) surrender** during the initial term. This amount is restricted to the lesser of the contributions plus 5% compound interest or the market value at the time of the surrender. At the end of the initial 5-year term, the term of the Coronation Endowment Plan is automatically open ended.
- 3.2 The amount due in respect of a surrender will be deducted from the investment value (less fees and charges) due to the persons entitled thereto prior to any payment of benefits by Coronation Life.
- 3.3 A surrender will only be permitted in respect of a Coronation Endowment Plan that has been ceded as security, if the prior written consent of the cessionary has been received by Coronation Life.

#### 4 GENERAL TERMS AND WARRANTIES

- 4.1 Investments into the underlying investment option(s) will be made within **one (1) working day (excluding Saturdays, Sundays and public holidays)** after the receipt of a fully completed application form and the once-off lump sum investment amount by Coronation Life. Coronation Life requires proof of transfer or deposit before this application can be processed. Electronic transfers may not reflect immediately. Debit orders (recurring lump sum investments) will be invested within **six (6) working days**. Switches will be processed within **one (1) working day** after receipt of a valid instruction. The aforementioned is subject to Coronation Life's requirements having been complied with. Where applicable, interest on once-off lump sum contributions may be applied from one day after the contribution has been paid into Coronation Life's bank account until transferred from that account.
- 4.2 The Coronation Endowment Plan is subject to a 30-day cooling off period. This gives you the right to withdraw from the Coronation Endowment Plan within 30 days of receipt of your policy summary and terms and conditions. This right can be exercised by giving Coronation Life written notice. A disinvestment will be made at the earliest opportunity after the date the written request is accepted by Coronation Life, at the price applicable then. The amount to be refunded will take market fluctuations into account and may therefore be less than the initial contribution amount. No interest or investment return will be paid or accrued to the investor. This option is not available where, during the 30-day period, you have switched from the portfolios originally invested in, or if any benefit or claim has been paid.