

The Coronation Preservation Pension Fund and the Coronation Preservation Provident Fund ("the relevant Fund") is a pension fund and provident fund registered by the Financial Services Board in terms of the Pension Funds Act, No. 24 of 1956, and approved by the South African Revenue Service. The relevant Fund is administered by an administrator as appointed 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 the relevant Fund as the investment options.

1 FUND MEMBERSHIP

- 1.1 You will not have access to any benefits in the relevant Fund before age 55, unless due to proven medical grounds of permanent disability, or if the once-off withdrawal benefit rule applies to you. You may retire at any time after the age of 55, unless retiring due to permanent disability proven to the relevant Fund.
- 1.2 The structure of the administration and investment fees applicable to your investments in the relevant Fund and the interest earned on the first day of deposit of your transfer benefit into the bank account of the Fund, will be used to pay the expenses of running the relevant Fund as authorised by the Trustees of the relevant Fund.
- 1.3 The relevant Fund is managed by Trustees, the majority of which are independent of Coronation Investment Services (Pty) Limited, the sponsor of the relevant Fund, and the administrator of the relevant Fund. The Trustees are also independent of the administrator. The Trustees are required in terms of the Pension Funds Act to exercise their fiduciary duties in the best interests of the relevant Fund and all its members.

2 INVESTMENT OPTIONS

- 2.1 The relevant Fund allows members the opportunity to invest in the unit trust funds offered by Coronation Manco. Investments are managed by the Trustees in terms of the Investment Policy Statement adopted by the Trustees. A copy of the Investment Policy Statement is available to members on request to the Client Service Centre on 0800 22 11 77 or by accessing www.coronation.com.
- 2.2 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.
- 2.3 The relevant Fund will invest the net investment amount into the investment option(s) chosen by you from time to time. The relevant Fund shall reinvest all income and accruals arising from the investment options from time to time, which shall be regarded as forming part of your investments under the relevant Fund.
- 2.4 The relevant Fund 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).
- 2.5 All investments held for your benefit under the relevant Fund are owned by the relevant Fund and you have no right to specific investments held under the relevant Fund.
- 2.6 The Fund is entitled to change, at its discretion and with appropriate notice, any investment options offered by it from time to time. Members will be asked for switch instructions should an option be removed from the Fund's offering. In the absence of any instruction within the required period, the Fund shall affect a switch to a unit trust fund of the Trustees' choice.

3 FEES AND CHARGES

- 3.1 The annual management fee on the underlying investment option(s) selected will be charged by Coronation Manco as indicated on the attached Unit Trust Fee Schedule and as amended from time to time .
- 3.2 The Fund will pay the Administrator an annual administration fee of 0.2% per annum, charged monthly in arrears, which will be levied on the market value of the investment account. The annual administration fee payable by the Fund to the Administrator will be subsidised in full by Coronation Investment Services (Pty) Limited.
- 3.3 There is no charge for switching between the available investment options.
- 3.4 Financial advice fees as agreed to in Section M - *Financial Advice Fees* of the application form will be levied.
- 3.5 Statutory charges such as retirement fund tax and income tax will be recovered by the relevant Fund from your investment.
- 3.6 All fees and charges are subject to amendment by the relevant Fund 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. The relevant Fund shall not change the Financial Advisor initial and annual advice fees unless instructed in writing by the investor.
- 3.7 All fees and charges shown are exclusive of Value Added Tax (VAT).

4 TERMS AND CONDITIONS

- 4.1 Taxes will be levied on the investment in accordance with the South African Revenue Service's relevant tax rules and rates, which may change from time to time.
- 4.2 Subject to compliance with the relevant Fund's requirements, investments into the underlying investment option(s) will take a **maximum of five (5) business days** to process after the receipt of a fully completed application form and the investment amount into the bank account of the fund, subject to any minimum amount the relevant Fund may set from time to time. The relevant Fund requires proof of transfer or deposit before this application can be processed. Electronic transfers may not reflect immediately. Switches will be processed a **maximum of five (5) business days** after receipt of a valid instruction received in writing on the Fund's switch instruction form. Interest earned on the first day of deposit will be used to pay the expenses of running the relevant Fund, as authorised by the Trustees of the relevant Fund. Subsequent interest shall accrue for the benefit of the member until transfer from the relevant Fund bank account, at the actual rate of interest earned but adjusted for the payment by the relevant Fund of any applicable tax that may be imposed by the tax authorities.
- 4.3 The relevant Fund shall pay amounts to your dependants and/or beneficiaries upon your death in accordance with section 37C of the Pension Funds Act, No. 24 of 1956.
- 4.4 Subject to any restrictions from the transferring fund, you may not make more than one withdrawal prior to retirement from the relevant Fund. Any remaining benefits will only be payable on your retirement or death, unless retiring due to permanent disability.
- 4.5 If you are transferring your benefit from another preservation fund, the relevant Fund may have to apply for the necessary approval of the transfer from the Registrar of Pension Funds. If approval is required, the transfer benefit may only be transferred after the certificate of approval as issued by the Financial Services Board has been received.
- 4.6 Where you have appointed a Financial Advisor, it is the responsibility of such Financial Advisor to act within the conditions of the relevant FSP licence which outlines which categories of investment products he/she is licensed to provide advice on and sell. Neither the Administrator nor the relevant Fund can be held responsible or liable for loss or damage suffered by you, resulting from the Financial Advisor acting outside the licence conditions. The Financial Advisor is responsible for ensuring that you receive and understand all appropriate advice, product and fee information, including changes in administrative processes by the Administrator.