

The Coronation Retirement Annuity Fund ("the Fund") is a retirement annuity 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 Fund is administered by an administrator appointed by the Fund 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 Fund as the investment options under the Fund.

1 FUND MEMBERSHIP

- 1.1 In terms of the Fund rules, these terms and conditions and legislation, amongst other things does not allow you to:
 - Withdraw, apply for a loan or use your interest in the Fund as collateral security for a loan;
 - Access any benefits in the Fund before age 55, unless due to proven medical grounds of permanent disability or emigration.
- 1.2 Membership of the Fund will commence on the later date on which your application form has been accepted and a contribution has been received in the bank account of the Fund.
- 1.3 All required documentation received within 7 business days of the end of the tax year will be processed for the tax year in which the monies were received.
- 1.4 The structure of the administration and investment fees applicable to your investments in the Fund and the interest earned on the first day of deposit of your contribution into the bank account of the Fund, will be used to pay the expenses of running the Fund as authorised by the Trustees of the Fund.
- 1.5 The Fund is managed by Trustees, the majority of which are independent of Coronation Investment Services (Pty) Limited, the sponsor of the Fund, and the administrator of the Fund. The Trustees are required in terms of the Pension Funds Act to exercise their fiduciary duties in the best interests of the 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 Fund will invest the net investment amount into the investment option(s) chosen by you from time to time. The 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 Fund.
- 2.4 The 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 under the Fund are owned by the Fund and you have no right to specific investments held for your benefit under the 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 and performance 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 Administration 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 Statutory charges such as retirement fund tax and income tax will be recovered by the Fund from your investment.
- 3.5 All fees and charges are subject to amendment by the 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 Fund shall not change the Financial Advisor initial and annual advice fees unless instructed in writing by the investor.
- 3.6 All fees and charges shown are exclusive of Value Added Tax (VAT).
- 3.7 Financial advice fees as agreed in Section K - *Financial Advice Fees* of the application form will be levied.

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 Fund's requirements, investments resulting from lump sum contributions 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 Fund may set from time to time. The Fund requires proof of transfer or deposit before this application can be processed. Electronic transfers may not reflect immediately. Debit orders will be invested **within six (6) business days**. Switches will be processed **within 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 Fund, as authorised by the Trustees of the Fund. Subsequent interest shall accrue for the benefit of the member until transfer from the Fund bank account, at the actual rate of interest earned but adjusted for the payment by the Fund of any applicable tax that may be imposed by the tax authorities.
- 4.3
 - 4.3.1 In the event that the contribution payable in terms of your application is a lump sum transfer from another approved fund, the transferring fund will pay such an amount into the Fund with immediate effect.
 - 4.3.2 In the event that the contribution payable in terms of your application is a voluntary contribution, it will be subject to a 14-day clearance period in respect of subsequent withdrawal instructions.
- 4.4 The 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.
- 4.5 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. 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.

Coronation Retirement Annuity Fund

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