

CORONATION RETIREMENT ANNUITY FUND

It is often reported that only about 6% of the South African population will retire financially independent. The key to successful retirement investing is to start early in life and benefit fully from the power of compound growth.

The Coronation Retirement Annuity Fund is a personal retirement plan which enables you to save tax-efficiently for retirement. It is an ideal way to supplement your existing pension or provident fund if you are currently employed and earn *non-retirement funding income; or build a retirement nest egg if you are self-employed. You can make lump sum or regular monthly contributions to build up capital that will benefit you in retirement.

The Coronation Retirement Annuity Fund is flexible, cost-effective and transparent. It is designed to allow you the flexibility to stop and restart your contributions and/or switch between investment options as your circumstances change, without incurring any penalties. We do not charge initial fees, we subsidise our annual administration fee of 0.2% (excluding VAT) and the fees of each of the underlying unit trust funds are fully disclosed.

The underlying investment options are Coronation's range of top-performing unit trusts which have consistently delivered strong investment returns since inception. This consistency of investment performance is reflected in Coronation being awarded numerous local and international investment performance accolades.

Contributions to the Coronation Retirement Annuity Fund are tax deductible within certain limits. You can make annual tax-free contributions to the greater of:

- 15% of your *non-retirement funding income; or
- R3 500 minus allowable pension fund contributions;
- or R1 750

**Non-retirement funding income is generally irregular and variable income such as commission, performance bonuses and other windfalls which are not used to calculate individual or company contributions to a pension or provident fund.*

Coupled with the tax deduction, taxable growth (such as interest, net rental income and foreign dividends) is not taxed, thus making the Coronation Retirement Annuity Fund a tax-efficient way to supplement your retirement investment or build your retirement nest egg. The tax benefit within the fund comes into effect immediately, enhancing your total capital at retirement.

You may retire from the Coronation Retirement Annuity Fund after your 55th birthday, or earlier if you are permanently disabled due to injury or illness. You may also access your funds if you should emigrate.

At retirement, you may withdraw a maximum of one-third in cash and use a minimum of two-thirds of the capital to purchase post-retirement income from a registered insurer. Should the full proceeds be less than R75 000.00 your retirement annuity may be fully withdrawn.



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FEATURES AND BENEFITS

Minimum Investment

Lump sum:	R10 000
Recurring:	R 500 per month
Ad hoc:	R 5 000

Investment Options

You may select from a wide range of Coronation unit trust funds. To simplify the investment decision, we highlight the core funds: Coronation Strategic Income Fund, Coronation Capital Plus Fund, Coronation Balanced Plus Fund, Coronation Market Plus Fund and Coronation Money Market Fund, which we believe are best suited to growing and maintaining retirement benefits for the majority of investors over the long term.

When selecting the underlying unit trust funds please ensure that the combination complies with the Prudential Investment Guidelines of Regulation 28 of the Pension Funds Act.

Prudential Investment Guidelines Compliance

The Coronation Retirement Annuity Fund is required to comply with the Prudential Investment Guidelines of Regulation 28 of the Pension Funds Act and Exchange Control legislation. Accordingly, the fund requires that your investment complies with the following limits: a maximum exposure of 75% of the investment amount to equity investments; 20% to international investments; 25% to property.

Coronation Client Services monitor compliance with these limits at the time of your initial investment and on each investment transaction thereafter.

Switching

You may switch between the underlying unit trust funds at no charge as your investment objectives and circumstances changes.

Transfers

You may transfer between an external retirement annuity and the Coronation Retirement Annuity Fund.

Cessions

You may not cede your investment in the Coronation Retirement Annuity Fund nor use it as security for debt.

Death Benefits

The full proceeds may be commuted to cash or a portion thereof commuted to cash while the balance purchases an annuity. Alternatively the full proceeds may be used to purchase an annuity.

Loans

You may not borrow from your investment in the Coronation Retirement Annuity Fund.

