



Alexander Forbes

INTERMEDIARY SERVICES

The Retirement Annuity Fund

Who is The Retirement Annuity Fund aimed at?

If you wish to provide for your retirement and build up your retirement capital, The Retirement Annuity Fund is the product to consider. If you have not made any provision for your retirement, investing in this fund may be the option to consider. However, it is equally appropriate if you are a member of a retirement fund and wish to supplement your retirement funding with maximum tax efficiency and investment transparency.

What is The Retirement Annuity Fund?

This is a secure, tax-efficient investment vehicle that has access to various investment portfolios.

What is the minimum investment amount?

R1 000 monthly, R12 000 annually and R30 000 single premiums.

What are the features of The Retirement Annuity fund?

Governance	This fund is registered and will be regulated in terms of the Pension Funds Act, the Income Tax Act and the Financial Advisory and Intermediary Services Act.
Investment Term	You may not access your investment before age 55. Alternatively, the investment term ends on your death.
Withdrawal	Withdrawal is only payable on formal emigration from the Republic of South Africa. You must provide satisfactory proof to the trustees that you have emigrated and such emigration is recognised for the purpose of exchange control
Retirement	At retirement you may: <ul style="list-style-type: none">• Make a maximum cash withdrawal of one-third of the value of the investment if it is not less than R75 000 (subject to taxation) and with the balance purchase an annuity; or• Purchase an annuity with the full amount of the investment tax free (the annuity payments you receive from the annuity are, however, subject to taxation) If the investment exceeds the tax-free portion, it is subject to taxation unless you purchase an annuity.
Security Cession	The policy may not be ceded as security for any debts.
Transferability	You may not transfer your policy by way of an outright cession.
Contributions	You have a wide variety of contribution frequency options to suit your particular needs from time to time. Your contributions to the fund are, within certain limits, tax deductible. Alexander Forbes Individual Client Administration will send you a tax certificate at the end of each tax year.

What are your other tax liabilities?

Retirement funds are not subject to any income or capital gains tax.

What investment portfolios are available?

You may select a maximum of five investment portfolios and switch from one investment portfolio to another. The Retirement Annuity Fund can invest in any of the investment portfolios listed in the Investment Portfolio Selection for the Retirement Fund Products section in the Application Form (or on the website) by allocating 75% to any local portfolio/s and 25% to any global portfolio/s or 100% to any local portfolio/s. Global availability is dependent on legislation and capacity.

Your investment portfolio selection must comply with the investment limitations set out in Regulation 28 of the regulations issued under the Pension Funds Act 24 of 1956, as amended or substituted from time to time, as well as the exchange control restrictions by the SA Reserve Bank, ie a maximum of 25% of the investment may be allocated to any global portfolio/s.

What are the product's fees?

	Initial Fees (Excluding VAT)		Annual Fees (Excluding VAT, Levied Monthly)	
	Advice	Administration	Advice	Administration
Single Premium	0 - 2.5%	1.25% on the first R100 000 1.00% on the next R150 000 0.45% on the next R1 million 0.225% on the next 1.25 million 0% thereafter	0 - 1.5%	0.75% on the first R250 000 0.50% on the next R500 000 0.25% on the next R250 000 0.225% on R9 million 0.10% on assets greater than R10 million R30 minimum per month
Recurring Premiums	As above	1.25%	0.75%	As above

Important Information

Registration number: 12/8/16005/1 **Tax approval code:** 18/20/4/012633
Registered address: Alexander Forbes Place, 61 Katherine Street, Sandown

The rules, financial returns and actuarial valuation of the fund may be inspected at the registered address given above.

Notes

1. This product includes financial advice provided by a licenced financial services provider (intermediary) approved by Alexander Forbes Intermediary Services (AFIS) Alexander Forbes Intermediary Services (AFIS). Since advice is a compulsory part of the product offering, you will pay the fees for advice plus VAT.
2. **Initial Policy Fees/Investment Management Fees in Respect of Unit Trusts (Excluding VAT):** Investment Solutions does not charge initial policy fees/investment management fees in respect of unit trusts. Unit trusts are purchased at the net asset-value price plus a fee which is generally 0.25% plus VAT. When you switch between unit trust companies, you will generally pay a fee of 0.25%, but this fee may be higher depending on the unit trust and the company involved. You may obtain particulars of these fees from the Unit Trust Management Companies.
3. **Annual Policy Fees:** Investment Solutions shall earn annual policy fees for providing the long-term insurance policy to you or the fund. From these policy fees, Investment Solutions will, except in respect of the Caveo portfolios, pay investment management fees to the selected investment managers appointed by Investment Solutions. The policy fees vary depending on your portfolio selection. You may obtain information about the policy fees in the published promotional material. Typically, the policy fees are 1.14%, but the exact fees may be lower or higher, depending on your portfolio selection. Investment Solutions does not charge annual policy fees in respect of the unit trusts or the Caveo portfolios. Annual service fees are charged in respect of unit trusts. Additional charges incurred by the Management Company are permitted to be deducted from the unit trust. These include trustee/custodian charges, bank charges, audit fees, RSC levies, UST, brokerage fees and VAT. Investment management fees, performance fees and underlying manager fees (all plus VAT) are charged in respect of the Caveo portfolios. Particulars are published in the relevant promotional material.
4. **Performance Fees Payable by Investment Solutions to Investment Managers:** The investments in the portfolios are managed by selected investment managers in a multi-manager arrangement. In addition to the annual investment management fees payable by Investment Solutions to the managers from the policy fees, limited so-called "performance" fees may be payable to some managers if the investment returns on the investments managed by them are above a challenging hurdle rate or benchmark. The performance fees are subject to change and the percentage or amount of fees payable to the managers is available on request from Investment Solutions. Investment Solutions receives no performance fees other than a 50% share of those related to the Caveo portfolios, which is received by Caveo Fund Solutions (Pty) Ltd, which is an associate company of Investment Solutions. For sake of clarity: the performance fees are not payable from the policy fees and are therefore levied against the relevant portfolios over and above the policy fees.
5. **Fees Paid to Alexander Forbes Individual Client Administration (Pty) Ltd:** Alexander Forbes Retail Holdings Ltd, founder of the funds, outsources all product administration services to Alexander Forbes Individual Client Administration (Pty) Ltd (the administrator). The administrator charges Alexander Forbes Retail Holdings Ltd a fee in respect of these administration services rendered, which is paid from the administration fees earned by Alexander Forbes Retail Holdings Ltd. In certain instances, the management company may rebate a portion of its fees to the administrator. This fee may change from time to time and will be negotiated by the administrator to benefit all its clients. You will not pay any further fees nor will you incur any extra costs as a result of the receipt of these platform management fees. Information regarding these fees can be obtained on request.
6. **Fees in Respect of Section 14 Transfers:** In the case of an individual transfer, a fee at the then prevailing rate (currently R840 plus VAT) will be levied against the member's fund credit in addition to any legislative costs and disinvestment fees. Where an employer terminates participation, a base fee at the then prevailing rate (currently R840 plus VAT) and a fee per member (currently R100 plus VAT), will be levied, in addition to any legislative costs and disinvestment fees. The onus rests on the employer to inform all members of the fee per member. In addition, the employer must provide the administrator with proof of the communication sent to members in this regard.
7. **Fees in Respect of the Re-application for Tax Directives:** When, on retirement, the administrator is required to apply for a tax directive from SARS, the costs of the initial application is covered by the administrator's annual administration fee. However, should the directive be declined and the administrator be required to reapply for the directive, an additional administration fee at the then prevailing rate per application (currently R75 plus VAT) will be levied. If the tax matter is not resolved within 30 days, the claim will be cancelled and the total fund credit switched to the Investment Solutions Banker Portfolio. Once the claim has been cancelled, new documentation will have to be submitted after three months.
8. **Fees in Respect of Cancellation of Claims:** Should a claim be cancelled, for any reason, after disinvestment has taken place, an administration fee at the then prevailing rate (currently 1% plus VAT) will be levied on the disinvestment amount (subject to a maximum of currently R2 280).

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