What are the Prescient Preservation Pension and Preservation Provident Funds?

The Prescient Preservation Funds (“the Funds”) are vehicles which are suitable if you have left an employer because of resignation or retrenchment and you wish to preserve the benefit that you have accumulated within your employer’s retirement fund in a tax-efficient manner. The Funds are legal entities which are each managed by a Board of Trustees who are appointed to control and oversee their operations.

If you transfer your benefit from an employer fund into a Prescient Preservation Fund then the benefit you will be able to access at retirement (from age 55) will be an accumulation of the transferred benefit(s) plus the investment returns achieved on your investment choice, less any fees and charges. You are not allowed to make regular contributions to a preservation fund but may transfer in benefits that have been accumulated in your previous employers’ retirement funds.

There are two types of preservation fund: pension and provident. Benefits from an employer pension fund can only be transferred to preservation pension funds; benefits from an employer provident fund can be transferred to a preservation provident fund. The two types of preservation funds differ in terms of the amount of cash (commutation) you can take at retirement. Within a preservation pension fund, you will be entitled to take a maximum of one third of your benefit as a cash lump-sum whilst within a preservation provident fund you will be entitled to take all of the benefit as a cash lump-sum. In both cases, a portion of the lump-sum will be tax free. The portion of your retirement benefit that is not commuted (taken as cash) must be utilised to purchase an annuity which will provide you with an income during retirement.

You may also transfer your existing preservation fund to a Prescient Preservation Fund and there will be no penalties should you wish to transfer your preservation fund from Prescient to another provider. In the event of your death, the trustees will need to decide on how to apportion your accumulated investment value. This decision is made at the trustees’ discretion, based on the needs of your dependents and nominated beneficiaries.

Why should I choose a Prescient Preservation Fund?

The Prescient Preservation Funds are tax-efficient, low cost, flexible preservation products which are easy to understand. The Prescient Preservation Funds will give you access to a range of investment options1 with exposure to all the relevant asset classes necessary to diversify your retirement benefit. The various investment options are managed by Prescient Investment Management and a number of other managers for whom we perform administration.

Within a preservation fund, the income, capital gains and dividends generated from the investments are exempt from taxation and transfers into the preservation fund from an employer fund are exempt from tax, provided that you do not take any cash withdrawals.

The Prescient Preservation Funds allow you to take one partial or full withdrawal per fund before retirement from the fund at age 55. There is no restriction on the amount you can withdraw from your pension or provident preservation fund but the tax rates that apply are more punitive than on commutations at retirement. The withdrawal is subject to the conditions that may have been imposed by the transferring fund.

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1 Your investment must be compliant with Regulation 28 of the Pensions Fund Act No.24 of 1956. Please see the Prescient Preservation Funds Application Form, the “Investment Options” brochure or the Prescient website (www.prescient.co.za) for further details.
What is it going to cost me?

You will pay an on-going administration fee which depends on the size of your investment. All fees are quoted as a percentage of assets under management on an annual basis:

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<tr>
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<th>Investments &lt; R5m</th>
<th>Investments R5m-R10m</th>
<th>Investments &gt; R10m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prescient Administered Funds</td>
<td>0.22%</td>
<td>0.17%</td>
<td>0.15%</td>
</tr>
<tr>
<td>Externally Administered Funds</td>
<td>0.34%</td>
<td>0.28%</td>
<td>0.25%</td>
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The on-going administration fee includes all the costs apart from the expenses associated with the management of the investments. The investment management costs are shown in the “Investment Options” brochure in the Total Expense Ratio column.

Prescient do not charge initial fees when you become a member of the fund or switching fees should you decide to switch underlying investment option.

What should I do to get started?

1. Complete the Prescient Preservation Funds application form
2. Compile the following supporting documentation:
   - A clear copy of your South African ID or Passport (if Foreign National) or valid driver’s licence
   - A document less than three months old containing your residential address
   - A cancelled cheque or a copy of your bank statement
   - If applicable, a completed “Acting on Behalf of the Investor form” plus the supporting documents referred to therein
3. Send the completed application form and supporting documentation to Prescient:
   - Fax: +27 21 700 3700
   - Email: retirement@prescient.co.za

What happens after I sign up?

The administrator of the fund will communicate with you and provide you with the following:

1. A transaction confirmation statement and a membership certificate
2. Quarterly statements
3. Annual benefit statements

How can I get help?

If any of the above is not clear, you can obtain further information from Prescient:

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<tbody>
<tr>
<td>Website</td>
<td><a href="http://www.prescient.co.za">www.prescient.co.za</a></td>
</tr>
<tr>
<td>Email</td>
<td><a href="mailto:retirement@prescient.co.za">retirement@prescient.co.za</a></td>
</tr>
<tr>
<td>Telephone</td>
<td>+27 21 700 3600</td>
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Disclosures

The Prescient Retirement Funds ("the Funds") are registered with the Financial Services Conduct Authority Financial Services Board ("FSCA") and approved by the South African Revenue Services ("SARS"). The Funds are administered by Prescient Fund Services (Pty) Ltd (Reg. No: 1998/023727/07, "Prescient Fund Services"). Prescient Fund Services is an approved retirement benefits administrator (Licence No: 765) under section 13B of Pension Funds Act, 24 of 1956 and an authorised Financial Services Provider (Licence No: 43191) under the Financial Advisory and Intermediary Services Act, 37 of 2002. This document was written by Prescient Fund Services for information purposes only and does not constitute advice or a solicitation for investments. It is subject to copyright and may not be altered, copied or reproduced in whole or in part without the written permission of Prescient Fund Services. The Funds and their trustees, and/or Prescient Fund Services cannot be held liable for damages or loss suffered as a result of any action taken based on the information in this document.

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