

RETIREMENT ANNUITY FUND

PRODUCT SUMMARY



What is the Prescient Retirement Annuity Fund (RA)?

The Prescient Retirement Annuity Fund (“the Fund”) is a personal retirement savings vehicle which allows you to save for your retirement in a tax-efficient manner. The Fund is a legal entity which is managed by a Board of Trustees who is appointed to control and oversee its operations. The Fund is suitable for three types of individuals:

1. Those that are self-employed;
2. Those that have an irregular income stream and wish to change their contribution rates from time to time;
3. Those that are formally employed and would like to supplement their retirement savings in a tax efficient way.

If you contribute to the Fund, the amount that you will receive at retirement (from age 55) will be an accumulation of your contributions, plus the investment returns achieved on your investment choice, less any fees and charges.

When you retire from the Fund, a maximum of one third of your benefit may be commuted to a cash lump-sum. A portion of the lump-sum will be tax free. The balance of the benefit must be utilised to purchase an annuity which will provide you with an income during retirement.

You may transfer your existing RA to the Prescient Retirement Annuity Fund and there will be no penalties should you wish to transfer your Prescient Retirement Annuity Fund benefit 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 the Prescient Retirement Annuity Fund?

The Fund provides you with a tax-efficient, low cost, flexible retirement savings product which is easy to understand. The contributions made to the Fund will be tax-deductible on an annual basis. As of 1 March 2016 SARS have allowed for tax deductions of up to 27.5% of the higher of your taxable income or remuneration for contributions to pension, provident and retirement annuity funds with a maximum annual deduction of R350 000. Any excess contributions may be rolled over to future years.

Not only are the contributions to the RA deductible in your hands, but income, capital gains and dividends generated from the investments are exempt from taxation. The Fund is flexible and you are able to make an initial lump-sum contribution as well as making on-going contributions by debit order. This option allows you to make changes to your contribution rates as well as to suspend contributions if necessary.

The Fund will give you access to a range of investment options¹ with exposure to all the relevant asset classes. The various investment options are managed by Prescient Investment Management and a number of other managers for whom we perform administration.

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:

	Investments < R5m	Investments R5m-R10m	Investments > R10m
Prescient Administered Funds	0.22%	0.17%	0.15%
Externally Administered Funds	0.34%	0.28%	0.25%

The on-going administration fee includes all fund 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 does not charge initial fees when you apply or switching fees should you decide to switch underlying investment options.

What should I do to get started?

1. Complete the Prescient Retirement Annuity Fund 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
✓	Proof of your deposit or your electronic fund transfer
?	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 5425
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:

Website	www.prescient.co.za
Email	retirement@prescient.co.za
Phone	+27 21 700 3600

Disclosures

The Prescient Retirement Funds (“the Funds”) are registered with the Financial Services Conduct Authority (“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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