

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 are 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 that you make to the Fund will be tax-deductible on an annual basis as follows:

- R3 500 less any allowable contributions to an employer fund; or
- R1 750; or
- 15% of non-retirement funding taxable income.

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.

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 excluding VAT, under management on an annual basis:

	Investments < R5m	Investments R5m-R10m	Investments > R10m
Administration	0.6%	0.35%	0.25%
Fund Expense Fee (included in the administration fee above)	0.13%	0.10%	0.07%

The on-going administration fee includes web access. The fund Expense fee comprises the fees applicable to the operation of the fund and include but is not limited to fees such as audit, FSB levies, actuarial and trustee expenses. The investment management costs are shown in the "Investment Options" brochure in the Total Expense Ratio column.

No initial fees are charged when you apply or switching fees should you decide to switch underlying investment options.

What do I need to do to get started?

1. Complete the Prescient Retirement Annuity Fund application form
2. Compile the following supporting documentation:

ID document containing a photo, full names, date of birth and ID number, valid passport or a valid driver's licence	✓
A document less than 3 months old containing residential address that is a utility bill, bank statement, rates account or tax invoice	✓
Proof of banking details	✓
Proof of tax number	✓

3. Send the completed application form and supporting documentation to Prescient:

Fax	086 605 3877
Email	prescient@thecycle.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. provide you with online access
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.thecycle.co.za
Email	Prescient @thecycle.co.za
Phone	011 706 3239

Your investment will need to be compliant with Regulation 28 of the Pensions Fund Act No.24 of 1956. Please see the Prescient Retirement Annuity Fund Application Form, the "Investment Options" brochure or the Prescient website (www.prescient.co.za) for further detail.

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Disclosures

The Prescient Retirement Funds (“the Funds”) are registered with the Financial Services Board (“FSB”) and approved by the South African Revenue Services (“SARS”). The Funds are administered by an administrator chosen by the Funds’ Trustees from time to time. The current benefit administrator of the Funds is Prescient Life (RF) Ltd, Reg. No. 2004/014436/06 (“PLife”). PLife is an approved fund administrator and authorised Financial Services Provider. The current investment options available to the members in the Funds are selected portfolios of Collective Investment Schemes in Securities (CISs) registered with Prescient Management Company (Pty) Ltd (“PManco”), selected pooled investments underwritten by PLife and approved external funds which are managed and administered by approved third party managers and administrators. PManco is an approved management company and PLife is a registered long-term insurer. CIS portfolios and pooled investments should be considered as medium to long-term investments. The value may go up as well as down and past performance is not necessarily a guide to future performance.

This guide has been compiled to provide factual information on the product offered and does not constitute advice.