


- Please refer to addendum A for some pointers to help you navigate your options at retirement.
- Initial any amendments made to this instruction.
- No instruction will be processed unless all requirements have been met.
- The retirement benefit will be converted to cash upon receipt of all requirements after which a tax directive will be applied for.
- The daily cut-off for receipt of instructions is 14h00.
- A copy of your compulsory annuity application form, if applicable, must be attached.
- Forward your instruction to 086 206 4098 or [eflows@coronation.co.za](mailto:eflows@coronation.co.za)
- Should you have any queries regarding this instruction, please contact Coronation Client Service Centre on 0800 22 11 77.

 As a security measure, a consultant from Coronation will call you to get your personal authorisation to process this instruction.


### A: INVESTOR DETAILS

Full name: \_\_\_\_\_  
 Investment number: \_\_\_\_\_  
 ID/passport number (if foreign national): \_\_\_\_\_  
 Contact telephone number: ( \_\_\_\_\_ ) \_\_\_\_\_ Email address: \_\_\_\_\_  
 Income tax reference number: \_\_\_\_\_

### B: RETIREMENT OPTIONS

Which fund would you like to retire from?

- Coronation Preservation Pension Fund  
 Coronation Preservation Provident Fund  
 Coronation Retirement Annuity Fund

 Coronation does not offer staggered retirements.

#### Court orders

Has any court order been made against your interest in the Fund which has not been paid to the interested party?

Yes  No

If yes, please attach a certified copy of the Court Order and Settlement Agreement, or amended Agreement, if not previously provided.

Please specify reason: Retirement  or Ill health (additional medical documents to be submitted)

Date of retirement: \_\_\_\_\_ [d] / \_\_\_\_\_ [m] / \_\_\_\_\_ [y]

Do you wish to take a portion of your benefit as a cash lump sum? Yes  No

If yes, please specify the cash lump sum amount:

One third  100%\*  or Other amount\*  Rands: \_\_\_\_\_

\* The amount cannot exceed one third of the fund value, unless the fund value is less than R247 500, in which case you may take the full amount.

\* If you were a member of a provident fund or preservation provident fund before the 1st March 2021, a portion of your benefit may have vested rights. You may take 100% of that vested benefit as a cash lump sum.



**Which compulsory annuity have you selected for the balance of your fund value:**

- Coronation Living Annuity - Trustee selection
- Coronation Living Annuity
- Another insurer of your choice: \_\_\_\_\_



*The entire benefit, or the balance after a cash lump sum payment, if any, is to be used to purchase a compulsory annuity. Please send us the completed application form for the annuity you have selected. The proceeds will be transferred to the banking details provided on the compulsory annuity application form.*

**C: EXCESS CONTRIBUTIONS**

Excess contributions are contributions which are made into a retirement fund which is not deductible for tax purposes because the amount exceeded the annual allowable deduction in the year it was made.

If applicable, kindly complete the below:

Total excess contributions made by you to a provident fund before 1 March 2016: R \_\_\_\_\_

Total excess contributions to all retirement funds made before and after 1 March 2016: R \_\_\_\_\_

(excluding the above contributions)



*SARS may require proof of the excess contributions. You may attach a copy of your most recent ITA34 (SARS Assessment). If you have made contributions to a provident fund before 1 March 2016, attach copies of your IRP5s showing these contributions, per tax year.*

**Public sector information (GEPF or another public sector Fund)**

Contributions made to the Government Employees Pension Fund or another public sector fund before 1 March 1998 are regarded as tax-free and can be offset against the lump sum benefit. The pre-1 March 1998 tax-free portion is only applicable when the benefit was transferred directly to Coronation from a public sector fund (on or after 1 March 2006), or the benefit was transferred twice (ie: from a public sector fund to another retirement fund and thereafter to Coronation on or after 1 March 2018).

Period you were a member of the public sector fund:

Date from: \_\_\_\_\_ [d] / \_\_\_\_\_ [m] / \_\_\_\_\_ [y] Date to: \_\_\_\_\_ [d] / \_\_\_\_\_ [m] / \_\_\_\_\_ [y]

Amount transferred out of the public sector fund: R \_\_\_\_\_

Date the amount was transferred from the public sector fund: \_\_\_\_\_ [d] / \_\_\_\_\_ [m] / \_\_\_\_\_ [y]

Was the transfer to Coronation Fund Managers directly from the public section fund ? Yes  No



## D: BANK DETAILS



If the bank details provided does not match our records, there may be a delay in processing this instruction. To ensure your security, a consultant from Coronation will call you to confirm your personal authorisation.

Bank account into which cash lumpsum must be paid:

Bank: \_\_\_\_\_ Account number: \_\_\_\_\_

Branch name: \_\_\_\_\_ Branch code: \_\_\_\_\_

Type of account:    Current     Transmission     Savings

Account holder name: \_\_\_\_\_

Signature of account holder/authorised person:

SIGN WITHIN THE BOX



We are unable to use these banking details without proof thereof.  
Payments will not be made to third-party accounts, credit cards, money-market accounts or bond accounts.

## E: STATEMENT BY MEMBER

- ▶ I hereby warrant that the information given above is correct to the best of my knowledge.
- ▶ I instruct and authorise the Fund to pay all monies due in accordance with the instructions above, subject to the rules of the Fund.
- ▶ I further understand that this instruction will apply to all my investment accounts within the Coronation Fund and that tax directives cannot be cancelled, once issued by SARS.

Signature of member or authorised representative\*:

\* Please forward proof of authorisation

SIGN WITHIN THE BOX

Date: \_\_\_\_\_ [d] / \_\_\_\_\_ [m] / \_\_\_\_\_ [y]

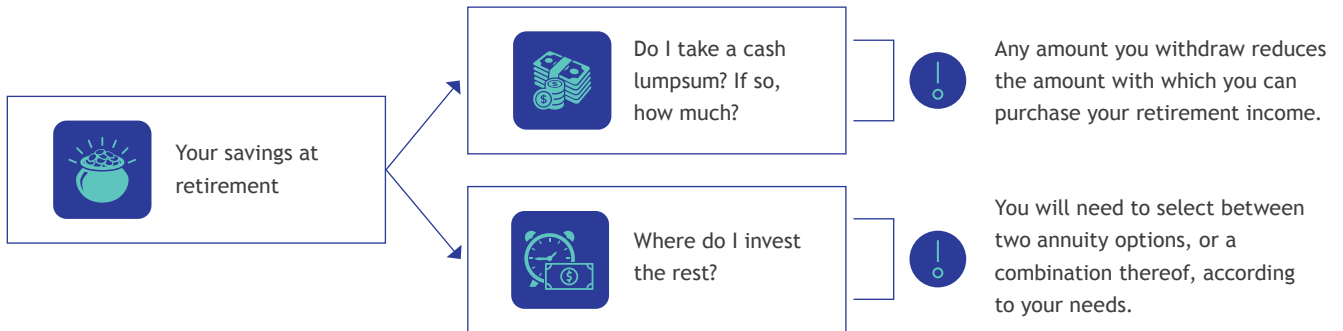


# RETIRING SOON?

Here are some pointers to help you navigate your choices.

If you are close to retirement, you will soon need to make two decisions about the savings that you’ve accumulated over your working life.

## YOUR CHOICES AT RETIREMENT



As both require careful thought, it may be best to make these choices with the help of an independent financial adviser (IFA). To make this process a bit easier to navigate, we have outlined some of the considerations for you.

### 1: DO I TAKE A CASH LUMP SUM FROM MY SAVINGS? IF SO, HOW MUCH SHOULD I TAKE?

Before deciding on the amount of cash you wish to take as a lump sum, you need to determine its purpose (such as settling any outstanding debt at retirement, expected medical expenses or setting up an emergency fund) and whether you can afford it. Any amount withdrawn, however, leaves you with less capital to purchase an annuity, which will pay your income for the rest of your life. A useful exercise to conduct with the help of your IFA is to map out liquidity scenarios over at least 20 to 30 years based on your personal circumstances.

Importantly, the amount of money that you can take in the form of a cash lumpsum is determined by the type of retirement fund of which you are a member:

FUND MEMBERSHIP	CASH WITHDRAWAL PERMITTED
<ul style="list-style-type: none"> <li>Retirement Annuity</li> <li>Pension Fund</li> <li>Preservation Pension Fund</li> </ul>	<ul style="list-style-type: none"> <li>Up to 1/3rd of investment; or</li> <li>Up to 100% if the total fund value is &lt;R247 500</li> </ul>
<ul style="list-style-type: none"> <li>Provident Fund*</li> <li>Preservation Provident Fund*</li> </ul>	<ul style="list-style-type: none"> <li>Up to 1/3rd of investment; or</li> <li>Up to 100% if the total fund value is &lt;R247 500</li> </ul>

Tax is another important factor to take into consideration. The good news is that the first R550 000 taken as a cash lumpsum is tax free. If you wish to withdraw an amount greater than that, the following tax rates apply:

CASH LUMP SUM TAKEN**	RATE OF TAX
R0 - R550 000	Nil
R550 001 - R770 000	18% of the amount over R550 000
R770 001 - R1 155 000	R39 600 + 27% of the amount over R770 000
R1 155 001 +	R143 550 + 36% of the amount over R1 155 000

\* If you were a member of a provident fund or preservation provident fund before the 1st March 2021, a portion of your benefit may have vested rights. You may take 100% of that vested benefit as a cash lump sum.

\*\* The taxable cash lumpsum is cumulative across all retirement funds from which you retire during your lifetime.



## 2: WHERE DO I INVEST THE REST?

Whether or not you choose to take a portion of your retirement savings in cash, the balance of your investment must be used to purchase an annuity that will pay you a retirement income for the rest of your life.

Retirement savers currently have two main options to provide a post-retirement income:

- a market-linked income withdrawal plan (called a living annuity), or
- a guaranteed (life) annuity underwritten by a life insurance company.

Both products have their own sets of advantages and limitations. One of the biggest differences is that in the case of a guaranteed annuity, your income is guaranteed for life, while a living annuity offers no income guarantee but greater flexibility and the potential for capital growth. The following table outlines some of the key differences between the two products.

### GUARANTEED (LIFE) ANNUITY VS LIVING (MARKET-LINKED) ANNUITY

	GUARANTEED ANNUITY	LIVING ANNUITY
<b>How does it work?</b>	A guaranteed pension for life. Your accumulated retirement savings are paid as a premium to a life insurer, who agrees to pay you an income for the rest of your life at a set or predetermined escalating rate.	No income guarantee but offers the potential for capital growth. Your accumulated savings are invested in the portfolio of underlying investment options of your choice, such as unit trusts.
<b>Who carries the risk?</b>	The insurer carries the risk that you will live a long life (longevity risk), as well as the investment risk associated with making regular income payments over time.	You carry the investment and longevity risk as the selected income payment is not guaranteed. The value of your retirement pot can go up and down, depending on the performance of the investment option(s) you have chosen.
<b>Can I change my level of income?</b>	You typically only have a choice at inception of the annuity between a level or an escalating life annuity.  A <b>level</b> life annuity provides an income which does not increase in line with inflation but rather stays the same in rand terms for the rest of your life. This means that your spending power is less in future years as the cost of your expenses increase due to inflation, while your income remains the same.  An <b>escalating</b> life annuity adjusts your income at a pre-determined rate (or inflation), but the starting level of income will be lower.	You can set your level of income (ranging between 2.5% p.a. and 17.5% p.a. of your total capital investment) once a year (on the anniversary of your investment).  <i>When your income rate exceeds that of your investment return, you start to pay out a portion of your income from your capital, reducing the capital base available to fund future income payments. The lower the level of income you take, the longer your capital will last. This is important should you have a long life expectancy.</i>
<b>What about heritability?</b>	Once transferred to the insurer, you cannot leave any capital to your estate or heirs.	Whatever capital remains at death, is inherited by nominated beneficiaries.
<b>Can I switch between a living or guaranteed annuity?</b>	No. Once you have chosen a guaranteed annuity, there is no option to convert to a living annuity, nor to switch between providers of guaranteed annuities.	Yes. A living annuity can be transferred between providers, and it can be converted to a life annuity at a later stage.



### 3: STILL BATTLING TO MAKE A CHOICE?

Investors who still grapple with making this choice can consider investing in the annuity option pre-selected by their retirement fund trustees.

#### Coronation’s Trustee Selection

If you are a member of a Coronation retirement fund, the trustees have selected the Coronation Living Annuity with the Coronation Capital Plus Fund\* as its underlying investment option. The income you will receive is determined by:

- a) the value of the investment you use to purchase the annuity, and
- b) your income percentage, based on your gender and age at the point of retiring from your Coronation retirement fund, as follows:

AGE AT RETIREMENT	MALE	FEMALE
55 - 59	4,5%	4,0%
60 - 64	5,0%	4,5%
65 - 69	5,5%	5,0%
70 - 74	5,5%	5,0%
75 - 79	6,0%	5,5%
80 - 84	7,0%	6,0%
85+	8,0%	7,0%

#### How does it work?

When you are allocating your retirement savings, and you wish to select the option chosen for you by the trustees, you must do so by opting in in section B of the Retirement Instruction Form. By choosing the pre-selected annuity, you are accepting the maximum income levels outlined above.

While there is no guarantee that the annuity strategy will provide a sustainable income throughout your retirement, the trustees believe that the options chosen will provide a very high chance of doing so.

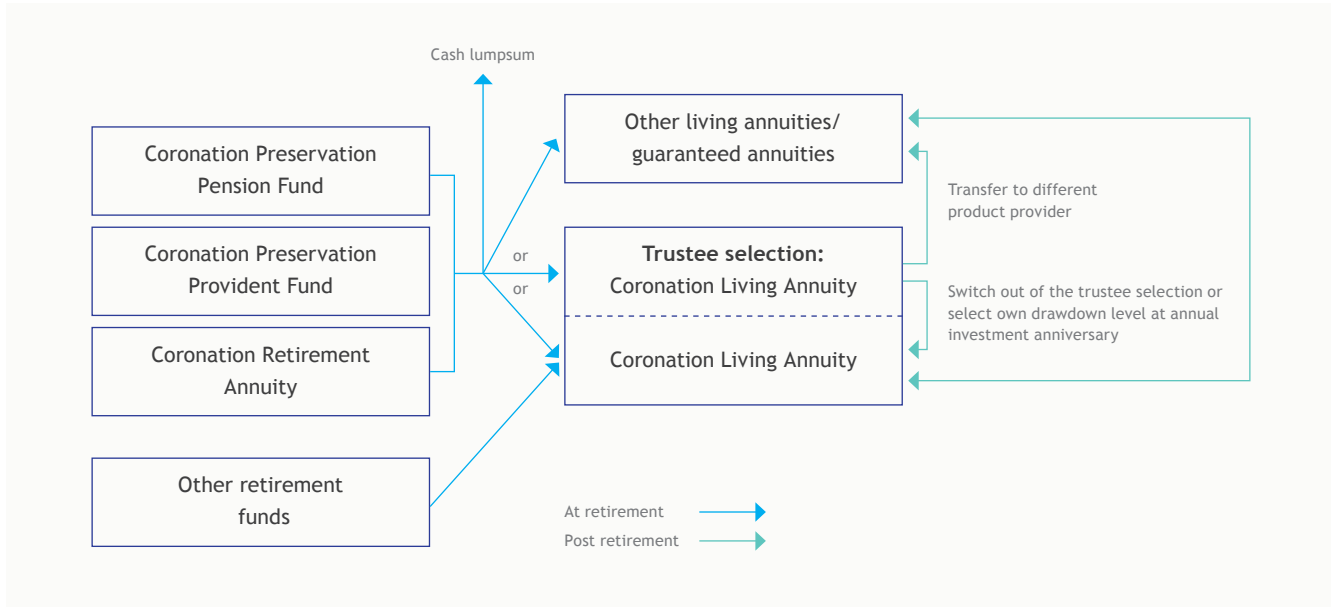
#### However, should this no longer suit you, you can:

- ▶ Switch your selection of Coronation Unit Trusts at any time. This will mean that you have opted out of the Trustees’ selection and you will simply be invested in a standard Coronation Living Annuity.
- ▶ You can change your income rate on your annual annuity anniversary date. This will mean that you have opted out of the Trustees’ selection and you will simply be invested in a standard Coronation Living Annuity.
- ▶ You can transfer to an annuity offered by another company at any time.

\*see page 7 for key information on the Coronation Capital Plus Fund



**YOUR CHOICE AT AND AFTER RETIREMENT**



**4: NEED MORE CLARITY?**

While Coronation does not offer advice, we always recommend that you seek quality independent financial advice. Retirement benefits counselling is available via our client service centre.

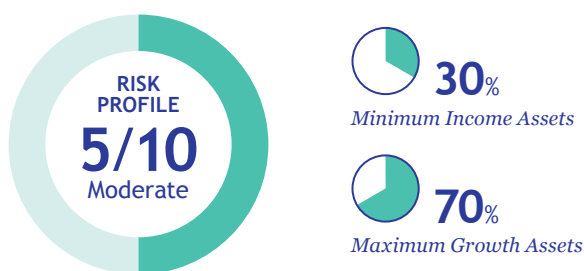
### WHAT IS THE FUND'S OBJECTIVE?

Capital Plus is in the first instance managed to achieve reasonable investment growth over the medium to long term. Our intent is that the fund should produce an annualised return of at least inflation plus 4% over time. By focusing on downside risk, the fund also aims to achieve less volatility than the average balanced fund. It is specifically managed to suit investors who want to draw an income over an extended period of time.

### WHAT DOES THE FUND INVEST IN?

Capital Plus can invest in a wide range of assets, such as shares, bonds, listed property and cash, both in South Africa and internationally. As the fund actively seeks to curb risk and volatility, only a maximum of 70% of its investments may be held in growth assets like shares and listed property. Shares usually offer the best growth, but this comes with the greatest risk of short-term losses. The fund's exposure to shares is therefore carefully balanced with more stable investments like bonds. Maximum exposure to foreign assets is 45% (excluding Africa). The fund is mandated to use derivative instruments for efficient portfolio management purposes.

### IMPORTANT PORTFOLIO CHARACTERISTICS AND RISKS



The fund is tactically managed to protect and grow capital, as well as secure an attractive income. A large and experienced investment team actively seeks out the best potential opportunities for income and growth, while carefully considering the different risks within the fund.

Capital Plus is specifically managed to reduce the probability of losing money over any 18-month period, although it cannot guarantee protection against losses.

The fund is diversified across a range of assets reflecting its dual objectives of reasonable growth and capital stability. This includes a selection of shares we believe are attractively valued and may offer strong long-term returns, as well as strategic positions in quality income assets.

### HOW LONG SHOULD INVESTORS REMAIN INVESTED?

The recommended investment term is three years and longer. The fund's exposure to shares may result in short-term price fluctuations, making it unsuitable to investors who can only invest for short periods.

### WHO SHOULD CONSIDER INVESTING IN THE FUND?

- ▶ Pensioners and other investors requiring an income, especially those in the first half of retirement.
- ▶ Living annuity investors seeking a fund that aims to achieve both income and capital growth.
- ▶ Investors requiring a low-risk fund, which offers a reasonable rate of return, for their retirement annuity, provident fund, preservation fund or pension fund.
- ▶ Conservative investors who want to protect their savings.
- ▶ Trusts, endowments, foundations and charities who require long-term funding of a moderate spending rule.

### WHAT COSTS CAN I EXPECT TO PAY?

An annual fee of 1.15% (excl. VAT) is payable.

The annual management fee is accrued daily and paid monthly. Fund expenses incurred in the fund include fees payable to unconnected international fund managers on a portion of assets situated offshore as well as trading, custody and audit charges. All performance information is disclosed after deducting all fees and other fund costs.

We do not charge fees to access or withdraw from the fund.

More detail is available on [www.coronation.com](http://www.coronation.com).

### WHO ARE THE FUND MANAGERS?



### GENERAL FUND INFORMATION

Launch Date	2 July 2001
Fund Class	A
Benchmark	CPI + 4%
Fund Category	South African - Multi-asset - High Equity
Regulation 28	Complies
Income Distribution	Quarterly (March, June, September, December)
Investment minimum	R5 000 or R500/m debit order
Bloomberg Code	CORCAPP
ISIN Code	ZAE000031514
JSE Code	CCPF