

RETIREMENT ANNUITY FUND PORTFOLIO CHARACTERISTICS



DIRECT INVESTOR/S

Unit trust portfolios that do not pay an annual financial planning fee.

Minimum contributions: R500 per debit order, R10 000 per initial lump sum.

UNIT TRUST PORTFOLIO	CLASS	INVESTOR PROFILE	RISK RATING / RECOMMENDED TERM	INCOME DISTRIBUTION ¹	REGULATION 28 COMPLIANT	BENCHMARK	INVESTMENT MANAGER	TOTAL INVESTMENT CHARGES
ASSET ALLOCATION PORTFOLIOS								
Stable Fund	C	The portfolio is suitable for investors who require specific exposure to small- and mid-cap sector shares as part of their overall investment strategy, with maximum capital appreciation as their primary goal over the long term. Due to its specialist nature, the portfolio will typically display higher volatility than a general equity portfolio.	Low Minimum 3 years	Bi-annual	Yes	CPI + 4% per annum over a rolling 3 year periods	Foord Asset Management	1.96%
Opportunity Fund	A	The portfolio is suitable for investors requiring moderate levels of capital growth who do not wish to make complex asset allocation decisions between equities, cash and bonds, both locally and offshore. Diversification across asset classes and a maximum equity exposure of 60% helps to reduce risk and volatility relative to an average prudential portfolio. While unlikely, capital loss may occur due to an event like the default of an issuer. The portfolio may be subject to currency fluctuations due to its international exposure.	Medium Minimum 3 - 5 years	Bi-annual	Yes	CPI + 5% per annum, over rolling 3 year periods	Abax Investments	1.94%
Balanced Fund	A	The portfolio is suitable for investors requiring moderate levels of capital growth who do not wish to make complex asset allocation decisions between equities, cash and bonds, both locally and offshore. Diversification across asset classes and a maximum equity exposure of 75% helps to reduce risk and volatility relative to a general equity portfolio. While unlikely, capital loss may occur due to an event like the default of an issuer. The portfolio may be subject to currency fluctuations due to its international exposure.	Medium Minimum 3 - 5 years	Bi-annual	Yes	ASISA Category average	Truffle Asset Management	1.88%
INCOME PORTFOLIOS								
Core Income Fund	B	The portfolio aims to preserve capital, but provide returns in excess of that offered by a traditional money market portfolio. The mandate is, however, more flexible and the average portfolio duration will be longer than that of traditional money market portfolios. Consequently, the liquidity of this portfolio is less than that of a traditional money market portfolio. While unlikely, capital loss may occur due to an event like the default of an issuer.	Low Minimum 6 months	Monthly	Yes	SteFi composite index – net of fees	Taquanta Asset Management	0.59%
Flexible Income Fund ²	R	The portfolio is suitable for investors seeking enhanced money market returns, but who have a low tolerance for capital loss and who do not wish to make complex asset allocation decisions between cash, bonds, property and other fixed interest asset classes. The portfolio typically displays higher volatility than a money market portfolio and due to the longer duration of instruments held, the liquidity is less than that of a traditional money market portfolio. While unlikely, capital loss may occur due to an event like the default of an issuer. The portfolio may be subject to currency fluctuations due to its international exposure.	Low Minimum 6 months	Quarterly	No	110% SteFI Call Rate	Abax Investments	0.91%
CORE PORTFOLIOS								
Core Guarded Fund	C	The portfolio is suitable for conservative investors requiring a reasonable level of capital protection, with the potential for capital growth through a low exposure to equity markets relative to the average prudential portfolio and aims to provide low cost exposure to a range of local and global asset classes. While unlikely, capital loss may occur due to an event like the default of an issuer. The portfolio may be subject to currency fluctuations due to its international exposure.	Low Minimum 3 years	Quarterly	Yes	CPI + 3%, net of fees, over rolling 3 year periods	Taquanta Asset Management	0.67%
Core Diversified Fund	C	The portfolio is suitable for investor requiring moderate capital growth and aims to provide low cost exposure to a range of local and global asset classes. Diversification across all asset classes helps to reduce risk and volatility relative to a general equity portfolio. The portfolio complies with Regulation 28 of the South African Pension Funds Act.	Medium to High Minimum 5 years	Bi-annual	Yes	CPI + 5%, net of fees, over rolling 5 year periods	Taquanta Asset Management	0.77%
Core Accelerated Fund	C	The portfolio is suitable for investor requiring high (equity-like) capital growth and aims to provide low cost exposure to a range of local and global asset classes. Diversification across all asset classes helps to reduce risk and volatility relative to a general equity portfolio. The portfolio complies with Regulation 28 of the South African Pension Funds Act.	High Minimum 5 - 7 years	Annually	Yes	Inflation + 6% pa over rolling 7 year periods	Taquanta Asset Management	0.66%

Notes:

1. If the total expenses are more than the income earned, the unit trust portfolio will not make a distribution.
2. Although not approved as a Regulation 28 compliant portfolio, the underlying assets of this unit trust portfolio are managed in line with Regulation 28 of the Pension Funds Act.

Total Expense Ratio (TER), expressed as a percentage of the Fund, relates to expenses incurred in the administration of the Fund. A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER may not necessarily be an accurate indication of future TERs. Transaction Costs (TC), expressed as a percentage of the Fund, relate to the costs incurred in buying and selling the underlying assets of the Fund. TC are a necessary cost in administering the fund and impact fund returns. It should not be considered in isolation as returns may be impacted by other factors over time including market returns, the type of fund, the investment decisions of the investment manager and the TER. The Total Investment Charges expressed as a percentage of the Fund, relates to all investment costs of the Fund.