

# Sygnia Pension and Provident Preservation Funds

## Savings Goal: Preserve your retirement funds

Changing jobs? Retrenched? This fund is the perfect way to safeguard your retirement savings should you no longer be able to continue your membership in your employer's Pension or Provident Fund. By transferring your retirement savings to the Sygnia Preservation Funds you can preserve your investment capital, as well as the tax benefits you accumulated through your retirement plan.

### Who should invest?

The Sygnia Pension and Provident Preservation Funds are most suitable for:

- Individuals who are leaving employment as a result of resignation, retrenchment or dismissal and want to preserve their retirement savings;
- Savers whose employer has closed down their existing occupational retirement fund;
- Non-member spouses awarded a pension interest in a spouse's retirement fund as part of a divorce order who wish to transfer that interest to a separate preservation fund.

### What investments make up the Sygnia Pension and Provident Preservation funds?

Any unit trusts, unitised life funds, exchange traded Funds (ETFs) or exchange traded notes (ETNs) available on the Sygnia Investment Platform. Please note that your investment choice must comply with Regulation 28 of the Pension Funds Act. Once invested in the Sygnia Pension or Provident Preservation Fund, we will monitor the compliance for you on a monthly basis.

The key elements of Regulation 28 impose the following limits to your investments:

Strategic asset allocation	Percentage	Allocation
Domestic and international equity	75.0	██
International investments	45.0	████████████████
Domestic and international property	25.0	████████████████
Hedge funds	10.0	████

\*Your fund allocation will be split proportionately across all components

### Are there contribution limits?

#### Minimum contribution:

- Initial lump sum of R50 000

### Can I make additional contributions to my investment?

Additional contributions are allowed only if it is a benefit from another approved retirement fund.

### When can I access my investment?

Members can access their investment by retiring from the Sygnia RA Fund after their 55th birthday, or earlier if they are permanently disabled due to injury or illness. At retirement members may withdraw all the funds in their Savings Component in cash, or they can transfer the funds to their Retirement Component to purchase an annuity. All the funds in your Retirement component must be used to purchase an annuity unless the value of the Retirement Component plus ( $\frac{2}{3}$ ) of the non-vested benefit in your vested component is less than R165 000. They may also access 100% of the funds in their vested benefit as cash or use it to purchase an annuity. Up to  $\frac{1}{3}$  of the funds in their non-vested benefit can be taken as cash, the rest would need to be used to purchase an annuity. At retirement the portion of their Sygnia RA transferred to a post-retirement annuity, such as a Living Annuity, is free of tax. The portion taken as cash may be subject to tax.



For more information email us at [admin@sfs.sygnia.co.za](mailto:admin@sfs.sygnia.co.za).  
[sygnia.co.za](http://sygnia.co.za)

<b>When can I withdraw from my investment?</b>	Via a Savings Component Withdrawal. This gets processed from the funds in your savings component as per the two-pot retirement system. The Sygnia Preservation Funds also allow for one full or partial withdrawal from your investment prior to retirement from the vested benefit in your Vested Component. The withdrawal will be subject to the relevant withdrawal tax tables.
<b>Can I switch my investment to another investment fund?</b>	Yes, you may switch between investment funds available on the Sygnia Investment Platform at any time and at no cost.
<b>Can I transfer my investment?</b>	You may transfer from an existing preservation fund to the Sygnia Preservation Funds. You may also transfer out of the Sygnia Preservation Funds to another approved preservation, retirement annuity or occupational pension or provident fund. The allocation of your components will be transferred with the same proportions.
<b>What are the tax benefits of the Sygnia Preservation Funds?</b>	<p>The Sygnia Preservation Funds offer you the same significant tax benefits you obtain by saving through an occupational pension or provident fund:</p> <ul style="list-style-type: none"> <li>· All taxable growth, including interest income, net rental income, dividend income and capital gains, is free of tax.</li> <li>· At retirement from the Sygnia Preservation Funds, the portion of the accumulated benefit transferred to a post-retirement pension product, such as a living annuity, is free of tax. The portion taken as cash may be taxed.</li> </ul>
<b>What happens to my investment if I die?</b>	In the event of your death prior to retirement, the value of your investments in the Sygnia Preservation Fund will be distributed to your dependants and/or nominated beneficiaries. Please note that dependants take precedence over nominated beneficiaries in terms of the law. If no dependants are found and no beneficiaries were nominated, the death benefit will be paid to your estate as a lump sum. The value is determined on the date of the liquidation of your investments. The dependants and/or nominated beneficiaries may elect to receive the benefit as an annuity, as a lump sum or as a combination of a lump sum and an annuity. Annuity payments will be taxed as income in the hands of the dependants and/or nominated beneficiaries at their marginal tax rates. Lump sum payments will be subject to the relevant retirement tax tables applicable to retirement fund lump sums.
<b>Can I cede my investment?</b>	No, you may not cede your investment in the Sygnia Preservation Fund, nor use it as security for any debts or commitments.
<b>Can I borrow from my Preservation Fund?</b>	No, you may not borrow from your investments in the Sygnia Preservation Fund.
<b>Is my Preservation Fund protected from creditors?</b>	Yes. Creditors may not attach your accumulated benefits.



For more information email us at [admin@sfs.sygnia.co.za](mailto:admin@sfs.sygnia.co.za).  
[sygnia.co.za](http://sygnia.co.za)

## Fees

### Annual Administration Fee

#### Sygnia Unit Trust and Unitised Life Funds

No administration fees (earned to Sygnia Financial Services) apply on the Sygnia unit trusts and unitised life funds.

#### All external-manager Unit Trust Funds and all ETFs and ETNs

Administration fees (earned by Sygnia Financial Services) are charged as follows when you are invested in external-manager unit trusts, ETFs and ETNs.

Sygnia Investments	Annual Administration Fee (excl VAT)		
Value of all accounts	Sygnia Unit Trusts and Unitised Life Funds	Sygnia ETFs	External Unit Trusts ETFs and ETNs
First R2 000 000	0%	0.20%	0.40%*
Over R2 000 000	0%	0.10%	0.20%**

\* 0.40% (excl VAT) is levied on the proportionate value of the external-manager funds below R2 million.

\*\* 0.20% (excl VAT) is levied on the proportionate value of the external-manager funds above R2 million.

**Please note:** While Sygnia does not charge any administration fees in respect of its own funds, we consider all your investments when assessing the R2 million threshold, including your investments in Sygnia funds. For fees relating to the underlying investment managers, please refer to the Sygnia Fund summary document available on request, or online at [www.sygnia.co.za](http://www.sygnia.co.za).

### Investment Management Fees

These vary across the Sygnia Investment Platform fund range. For a detailed breakdown of fund-specific fees, please refer to the relevant fund fact sheet.

### Financial Advisor Fees

These are negotiable with your financial advisor within the following parameters:

**Initial fee:** Maximum of 3% (excl VAT) deducted prior to the investment being made.

**Annual fee:** Maximum of 1% per annum (excl VAT)

If an initial fee in excess of 1.50% is deducted, the annual fee is limited to 0.50% per annum.

## Ready to apply?

Submit your application online by visiting our website and clicking on "Open an Account". Alternatively, you can contact the Sygnia Client Service Centre on 0860 794 642 (0860 SYGNIA) if you need any assistance.

### Required documentation

- Copy of South African green barcoded ID/ South African Smart ID Card, or valid passport (if a foreign national).
- Proof of residential address less than 3 months old.
- Proof of bank details not older than 3 months.
- Proof of deposit/transfer into the relevant Sygnia bank account.
- Proof of deposit/transfer in to the relevant Sygnia bank account.
- If a unit transfer is required, please provide a recent statement of your current investment.

### I've already opened a Sygnia Preservation Fund – how do I transact online?

The Sygnia Alchemy Online Portal is a one-stop online solution to your investment and retirement planning needs. Visit our website and click on "Log in" to access your secure online account or to register.

### Disclaimer

All Sygnia Products named above and information provided is of a general nature and are not intended to address the circumstances of any particular individual or entity. We are not acting and do not purport to act in any way as an advisor or in a fiduciary capacity. No one should act upon such information or opinion without appropriate professional advice after a thorough examination of a particular situation. We endeavour to provide accurate and timely information, but we make no representation or warranty, express or implied, with respect to the correctness, accuracy or completeness of the information and opinions. We do not undertake to update, modify or amend the information on a frequent basis or to advise any person if such information subsequently becomes inaccurate. Any representation or opinion is provided for information purposes only. Collective Investment Schemes in securities are generally medium to long term investments. The value of participatory interests may go down as well as up and past performance is not necessarily a guide to the future. The Manager does not guarantee the capital or the return of a portfolio. Collective Investments are traded at ruling prices and can engage in borrowing and scrip lending. A schedule of fees and charges and maximum commissions is available on request from Sygnia Collective Investments (RF) Pty Ltd. Terms and conditions and all product marketing disclosure documents can be found on the Sygnia website. Additional information, including application forms and annual or quarterly reports can be obtained from the Manager, free of charge.



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