

Sygnia Retirement Annuity Fund (RA)



Savings Goal: Tax-efficient Long-term Saving for Retirement

The Sygnia Retirement Annuity Fund (RA) is an individual retirement savings plan that allows you to save for your retirement in a tax-efficient manner.

Who should invest?

The Sygnia RA Fund is most suitable for:

- Individuals who wish to supplement their existing retirement savings;
- Self-employed entrepreneurs who do not contribute to an occupational pension or provident fund;
- Employed persons, when your employer does not offer (or does not make contributions to) an occupational pension or provident fund;
- Individuals who earn additional income that is not taken into account in determining contributions to an existing occupational pension or provident fund.

What investments make up a Sygnia Retirement Annuity Fund?

Any unit trusts, 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 you have invested in the Sygnia RA 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
Equities	75.0	██
Foreign Assets	45.0	████████████████████
Property	25.0	████████████████
Hedge funds	10.0	████

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

Are there contribution limits?

Minimum contributions:

- Initial lump sum of R20 000
- Additional lump sum of R5 000
- Debit order of R500 p/m

You may stop contributing at any time, with no penalty.

Please note: Minimum lump sum of R1 000 if investing into the Sygnia Money Market Class S1 or S2 (Established by Sygnia Collective Investments (RF) (Pty) Ltd).

Do I have to commit to a fixed monthly premium for a set term?

No, there is no fixed monthly premium and there is no set term. It's your investment, you decide how you would like to invest – lump sum, debit order or both – and your contributions can be adjusted as your needs change at no extra cost.

When can I access my investment?

You can access your investment by retiring from the Sygnia RA Fund after your 55th birthday, or earlier if you are permanently disabled due to injury or illness. At retirement you may withdraw all the funds in your Savings Component in cash, or you can transfer the funds to your 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. You may also access 100% of the funds in your vested benefit as cash or use it to purchase an annuity. Up to $\frac{1}{3}$ of the funds in your non-vested benefit can be taken as cash, the rest would need to be used to purchase an annuity. At retirement the portion of your 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.
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When can I withdraw from my investment?

No withdrawals are permitted before the age of 55 unless:

- Via a Savings Component Withdrawal. This gets processed from the funds in your savings component as per the two-pot retirement system.
- You have emigrated from South Africa as recognised by the South African Reserve Bank (SARB), and your emigration application was submitted on or before 28 February 2021 and approved by SARB on or before 28 February 2022.
- You have not been a South African tax resident for an uninterrupted period of at least three years on or after 1 March 2021; or
- You depart from the Republic at the expiry of a visa obtained for the purposes of working in or visiting the Republic, and are not regarded as a resident by the South African Reserve Bank for purposes of exchange control; or
- The accumulated value of your investment is less than or equal to R15 000.

Can I switch my investment to another investment fund?

Yes, you may switch between investment funds available on the Sygnia Online Investment Platform at any time and at no cost.

Can I transfer my investment?

Yes, you may transfer from an existing approved retirement annuity, preservation or occupational pension or provident fund to the Sygnia RA Fund. You may also transfer out of the Sygnia RA Fund to another approved underlying retirement annuity fund.

What are the tax benefits of a Sygnia Retirement Annuity?

The tax benefits are significant:

- Your contributions to a RA Fund, up to a legislated limit, are tax deductible. Therefore, you may be taxed on a lower taxable income amount.
- All growth, including interest income, net rental income, dividend income and capital growth, is tax free.

What happens to my investment if I die?

In the event of your death prior to retirement, the value of your investments in the Sygnia RA 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.

Can I cede my investment?

No, you may not cede your investment in the Sygnia RA Fund, nor use it as security for any debts or commitments.

Can I borrow from my Sygnia Retirement Annuity?

No, you may not borrow from your investments in the Sygnia RA Fund.

Is my investment protected from creditors?

Yes. Creditors may not attach your accumulated benefits.



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Fees

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

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, Sygnia takes into account all your investments with us 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.

Investment Management Fees

These vary across the Sygnia Investment Platform fund range. For a detailed breakdown of fund-specific fees, please refer to Sygnia Investment Platform Funds on our website.

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, birth certificate (if minor) or valid passport (if a foreign national).
- Proof of residential address not older than 3 months.
- Proof of bank details not older than 3 months.
- Proof of deposit/transfer into 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 Retirement Annuity 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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