Cape Peninsula University of Technology

RETIREMENT FUND

NEWSLETTER

Issue number: 1/2021 **MAY 2021**

Dear members

Welcome to the first newsletter for the year.

As a member you are assured that your Fund remains in a good financial position. In this newsletter, we focus mainly on investment topics. We hope that you find the information meaningful and interesting. If there is any item you want to see in future issues, please write to us to let us know.

We encourage our members to please read their newsletters. The newsletters are a means of providing you with news to update you on what is and has been happening in your Fund. Please take time to read it – this is the most effective method for us to communicate with you. The first step to safe-keep your retirement savings, is to stay updated so that you are able to make informed decisions.

We have been living through this pandemic for more than a year now and we want to humbly urge you all to take care of yourselves and stay safe.

Board of Trustees

May 2021

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Disclaimer:

The information contained in this newsletter does not constitute advice by either the Board of Trustees or its advisors. If you need advice you should seek the assistance of an independent professional advisor.

INVESTMENT NEWS

INVESTMENT PERFORMANCE

Below are the annualised manager returns (net of fees) for all the portfolios over different measurement periods to 31 March 2021.

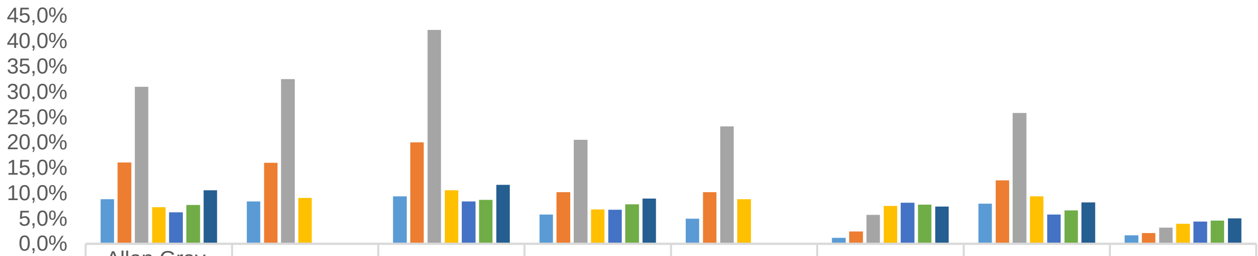
Ninety One Balanced Fund is excluded from the table above, as the Fund measurement period for this portfolio is too short.

Portfolio	Manager/Product	Investment Objective	Measurement period to 31 March 2021	Manager returns p.a. over measurement period	Inflation p.a. over the measurement period	Return above Inflation p.a.*
Long Term Growth Portfolio	Allan Gray Global Balanced	CPI + 4.5% net over a rolling 7-year period	7 years	7.7%	4.6%	3.1%
	Coronation Houseview			8.7%	4.6%	4.1%
Medium Term Protection Portfolio	Coronation Inflation Plus	CPI + 2.5% net over a rolling 3-year period	3 years	8.8%	4.0%	4.9%
	Allan Gray Global Stable			6.8%	4.0%	2.8%
Money Market Portfolio	Ninety One Money Market	CPI +1.5% net over a rolling 1-year period	1 year	5.7%	3.2%	2.5%
Shari'ah Portfolio	27four Shari'ah Balanced Fund	CPI + 4.0% net over a rolling 5-year period	5 years	5.7%	4.4%	1.4%

*Returns above inflation are subject to rounding.

The chart below shows the performance of each asset manager over various measurement periods to 31 March 2021. The returns are shown after deduction of tax and investment management expenses. There is a 1 day lag between the returns shown below and the administrators unit prices i.e. the 31 March 2021 unit prices reflect returns up to 30 March 2021.

Net Returns as at 31 March 2021



	Allan Gray Global Balanced	Ninety One Balanced	Coronation Houseview	Allan Gray Global Stable	Coronation Inflation Plus	Ninety One Money Market	27four Shari'ah	Headline Inflation
3 months	8,8%	8,3%	9,3%	5,8%	4,9%	1,2%	7,9%	1,7%
6 months	16,1%	16,0%	20,0%	10,2%	10,2%	2,4%	12,5%	2,1%
1 year	31,0%	32,5%	42,2%	20,5%	23,2%	5,7%	25,8%	3,2%
3 years p.a.	7,2%	9,0%	10,5%	6,8%	8,8%	7,5%	9,3%	4,0%
5 years p.a.	6,2%		8,3%	6,7%		8,1%	5,7%	4,4%
7 years p.a.	7,7%		8,7%	7,8%		7,7%	6,6%	4,6%
10 years p.a.	10,6%		11,6%	8,9%		7,4%	8,2%	5,0%

While there has been a recovery in the investment markets over the last 12 months, the investment managers in the Long-term Growth Portfolio are still lagging their real return targets over 7 years, as is the Shari'ah Portfolio.

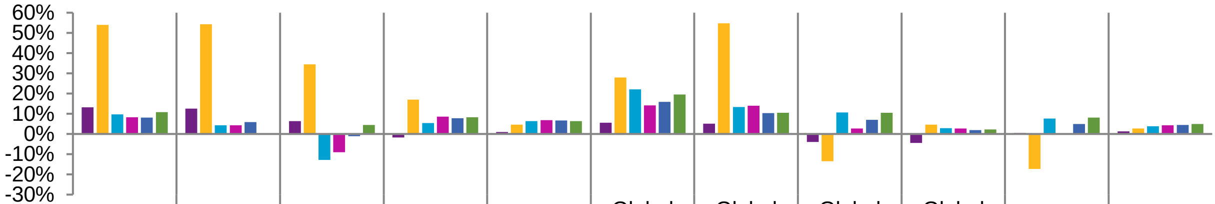
If you are a long way from retirement, you will be contributing money to the Fund for many years to come and these years of poor investment performance should not make you fearful. They are a part of the natural fluctuations of the investment markets over time and, in fact, provide some valuable opportunities for long term investors such as yourself to achieve better returns in the future. The key is that you must stay invested, through the good years and the bad.

If you are close to retirement, on the other hand, you do not have a long time remaining to be invested in the Fund. This is why the life stage model is designed to move your savings into a more conservative strategy as you get closer to retirement to protect your savings from a fall in the market, should one occur, just before you retire.

We note that there are online wools provided by the Fund's Administrator, which enables members to look at the returns earned on their individual account. Please note the disclaimers attached to the tool as there may be a difference in the returns shown on the tool from those shown above. This is due to the one day lag in the prices used on the Administration system along with the impact of the member's individual cashflows on the returns. If you have any questions over the differences, please contact Principal Officer.

KEY PERFORMANCE INDICATORS WITH MARKET COMMENTARY FOR THE QUARTER ENDING 31 MARCH 2021

The graph below shows the performance of the various sectors of the market during various measurement periods ended 31 March 2021 (source: IRESS for local indices and Morningstar for global indices).



	SA Equities (ALSI)	SA Equities (Capped SWIX)	SA Listed Property (SAPY)	SA Nominal Bonds (ALBI)	SA Cash (STeFI Comp)	Global Equities (MSCI World) (ZAR)	Global Equities (MSCI World) (USD)	Global Bonds (BarCap Agg) (ZAR)	Global Bonds (BarCap Agg) (USD)	ZAR/ USD	Inflation (CPI)
3 months	13,1%	12,6%	6,4%	-1,7%	0,9%	5,6%	5,0%	-4,0%	-4,5%	0,5%	1,3%
1 year	54,0%	54,2%	34,4%	17,0%	4,6%	28,0%	54,8%	-13,5%	4,7%	-17,3%	2,8%
3 years p.a.	9,7%	4,3%	-12,9%	5,5%	6,3%	22,1%	13,4%	10,6%	2,8%	7,6%	3,8%
5 years p.a.	8,2%	4,4%	-9,0%	8,7%	6,8%	14,1%	14,0%	2,7%	2,7%	0,1%	4,3%
7 years p.a.	8,1%	5,9%	-1,2%	7,8%	6,7%	15,8%	10,3%	7,1%	2,0%	5,0%	4,5%
10 years p.a.	10,9%		4,4%	8,2%	6,3%	19,5%	10,5%	10,5%	2,2%	8,1%	5,0%

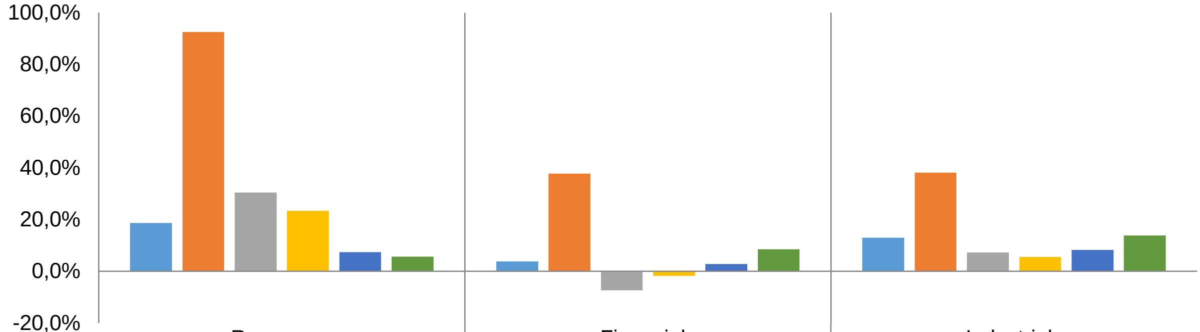
- Global equities, notably cyclical counters which are most exposed to the economic recovery, continued their strong trajectory in the first quarter of 2021, as did commodity prices. Developed markets (DMs) outperformed emerging markets (EMs), with the MSCI World Index (representing DMs) returning 5.0% (in US dollars) and the MSCI EM Index rising 2.3% (in US dollars) for the quarter.
- The yield curve steepened over the quarter, indicating rising growth expectations and possible inflationary pressures. The 10-year US Treasury yield rose from 0.91% to 1.74%, while the 2-year yield rose only modestly.
- The FTSE/JSE Capped SWIX Index gained 12.6% for the quarter. The All Bond Index declined 1.7%, while SA inflation-linked bonds returned 4.7% and cash (as measured by the STeFI Composite) delivered 0.9%.
- The listed property sector, represented by the All Property Index, rose 8.1%.

An explanation of the different sectors appears below.

ALSI:	South African equities as measured by the All Share Index
SAPY:	South African listed property index.
ALBI:	South African all bond index
SteFI Comp:	South African short term fixed interest investments (cash)
MSCI World:	Morgan Stanley Capital Index – equities in developed overseas markets
BarCapAgg:	The Barclays Capital Global Aggregate bond index
CPI:	South African inflation rate
ZAR/USD:	Rand investment in US Dollars (negative numbers show a

strengthening” rand).

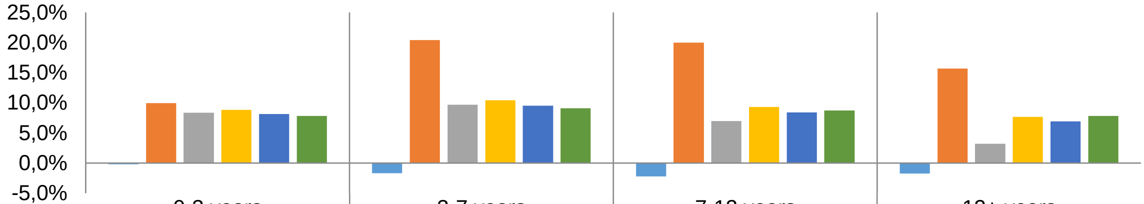
The following chart shows the performance of the broad sectors of the SA equity market for periods to 31 March 2021:



	Resources	Financials	Industrials
3 months	18,7%	3,8%	13,0%
1 year	92,5%	37,8%	38,2%
3 years p.a.	30,5%	-7,4%	7,3%
5 years p.a.	23,4%	-1,7%	5,5%
7 years p.a.	7,4%	2,8%	8,2%
10 years p.a.	5,6%	8,5%	13,8%

- A strong global economic recovery (particularly in China), combined with tight supply conditions, saw commodity prices strengthen and drive resources shares stronger. Industrials and Financials also recovered over the past year and posted good returns in the first quarter.

The chart below shows the performance of the different sectors of the SA bond index for periods ended 31 March 2021:



	0-3 years	3-7 years	7-12 years	12+ years
3 months	-0,2%	-1,7%	-2,2%	-1,8%
1 year	10,0%	20,4%	20,0%	15,7%
3 years p.a.	8,4%	9,7%	7,0%	3,2%
5 years p.a.	8,8%	10,4%	9,3%	7,7%
7 years p.a.	8,1%	9,5%	8,4%	6,9%
10 years p.a.	7,8%	9,1%	8,7%	7,8%

- The global bond market headwinds weighed on domestic bonds with the All Bond Index returning -1.7% during Q1.
- Similar to the pattern observed in equity markets, the 12-month returns are impacted by the extremely depressed pricing levels that were prevailing at the start of the period.
- Over the long term, one would expect longer-dated bonds (“12+ year”) to offer a return premium relative to short- and medium-dated bonds, as investors need to be compensated for the uncertainty regarding future inflation (the so-called “term premium”). However, over the past ten years, there has been no term premium earned for investors in SA bonds in the “12+ year” category versus medium-dated maturities.
- More recently, the increased risk premium on longer-dated maturities is due to the sharp deterioration in the country’s finances and debt metrics, prompting investors to seek higher risk compensation for longer duration bonds.

SURPLUS APPORTIONMENT ARISING FROM THE 30 JUNE 2019 VALUATION

In terms of the Pension Funds Second Amendment Act, 2001 the CPUT Retirement Fund must be actuarially valued every 3 years. The last valuation was performed as at 30 June 2019. The actuarial valuation report was submitted to the Registrar of Pension Funds, and it revealed that there was a small surplus of some R4.8 million. This surplus was adjusted up with investment returns to 31 December 2020 and adjusted down again with an expense provision for the costs of allocating the surplus.

In terms of the surplus arising in the Fund, the rules of the Fund specify that, in this case, the Trustees must follow a prescribed process to apportion this equitably amongst the members in the Fund.

The surplus has been allocated equitably to members who were active employees of the Fund during the period 31 June 2016 to 30 June 2019 when the surpluses arose. This surplus was then distributed to all members who were still members of the Fund as at the time when the surplus was distributed (this includes living annuitant members). The surplus was not distributed to former members who exited the Fund.

The surplus was credited to 2 358 in-service member's individual retirement account and to 26 in-house living annuitants individual living annuity accounts.

Please note that it was not paid to members in cash, because this is not allowed by the Fund's rules. The value of your individual enhancement is included under the "Other Contributions" in your quarterly investment newsletter you receive. Please note other contributions includes both the surplus and, if you are an active member, the enhancement to allow for the funeral premiums currently paid by CPUT.

ANNUITISATION OF PROVIDENT FUNDS

A few weeks ago, a newsflash was sent out to all members regarding the changes that have come about when you retire from Provident Funds (such as your Fund). For those that did not read or receive this, below is a summary:

Importantly to note, the changes will only affect you if you are going to be retiring from the Fund. The changes do not affect you if you are 55 or older on 1 March 2021 and stay to retire in the Fund, or if you are resigning from your job.

VESTED AND NON-VESTED BENEFITS

Vested benefits (also referred to as "*Protected benefits"*) refer to the amount of benefit which may be taken in cash **on retirement**. The vested benefit is the balance in your provident fund on 1 March 2021 plus returns on that amount until retirement, plus if you are over 55 on 1 March 2021, any new contributions you make to the same provident fund and returns thereon.

Whatever amounts are vested in your provident fund move with you and remain vested if you move to another employer's fund i.e. you do not lose the ability to take this portion of your benefit in cash on retirement even if you change funds.

Non-vested benefits (also referred to as "*Restricted benefits*") refer to the amount of benefit which is subject to annuitisation i.e. no more than 1/3rd of this amount may be taken in cash on retirement (subject to tax) – the rest must be used to purchase a pension from an insurer (unless this amount is less than R247,500 on retirement in which case this portion may also be taken fully in cash).

All contributions made to the fund after 1 March 2021 plus returns thereon form part of your **non-vested benefits** (unless you are 55 years or older on 1 March 2021 and contribute to the same fund, in which case these are vested).

When you change employers, the non-vested benefits will move with you and remain non-vested if you move to another employer's fund.

WHAT HAPPENS WHEN YOU CHANGE JOBS?

If you resign, are retrenched or dismissed from the employer and withdraw from the Fund, you are entitled to your savings in the fund, known as your Member Individual Account. You will still be able to choose to take all of your savings in cash when you leave employment, transfer all your savings to another employer (or part cash part transfer), or leave your savings in the Fund until a later date (noting if you make no choice your money will remain held in the Fund under your name).

The new laws that came into effect on 1 March 2021 do not therefore, have any impact on your withdrawal benefit from the Fund upon resignation.

Please note that whatever benefits remain in the Fund or are transferred to another employer remain classified in the "vested" or "non-vested" buckets on moving these benefits across, so you do NOT lose the ability to take your vested benefits in cash on retirement if you move the money to a new employer's fund.

WHAT HAPPENS WHEN YOU RETIRE FROM A PROVIDENT FUND?

In the past, when you retired from a Provident Fund such as yours, you had a choice of how much cash you wanted to take from your Member Individual Account and how much you wished to use to purchase a pension (if any). In other words, you were allowed to take all your money in cash when you retired.

So, what happens with effect from 1 March 2021?

If you are younger than 55 years on 1 March 2021 and retire from the fund after 1 March 2021 the following will apply:

On retirement:
You will still be allowed to take all your vested benefits (i.e. savings on 1 March 2021 plus returns) in cash (or part cash/part pension) (subject to tax).
In terms of non-vested benefits, i.e. amounts contributed after 1 March 2021, you will only be able to take a maximum of one-third of these savings as cash (subject to tax), and the remaining two-thirds will need to be used to purchase a pension (unless the non-vested benefits are less than R247,500 in which case this whole amount may be taken in cash).

If you are already 55 years or older on 1 March 2021:

You will not be affected by the new laws if you stay in the CPUT Retirement Fund until retirement. This means you can still take all your savings in your Member Individual Account in cash when you retire (subject to tax).

If you move to a new fund, The CPUT Retirement Fund amount moved to the new fund (vested benefits) can still be taken fully as cash on retirement. Any savings made to the new fund (non-vested benefits) will need to be partly used to purchase a pension (in line with the one third cash, two-thirds pension split above (unless the non-vested benefits are less than R247,500 in which case this whole amount may be taken in

NB You will still be able to access your savings in full as cash on exit after 1 March 2021

On exit (other than retirement), you still have a choice to take all the money in your Member Individual Account (including that saved after 1 March 2021) in cash if you wish but (as usual) tax will apply. This is unaffected by the changes above. However, taking all your money in cash is not encouraged whatsoever.

Below is a diagram summarizing the main points as discussed above:

1 March 2021

VESTED BENEFITS		NON VESTED BENEFITS
Can be fully taken in cash on retirement		**Are subject to annuitisation i.e. on retirement can take up to 1/3 of this amount in cash and the rest must be used to purchase a pension. If these amount to less than R247,500 on retirement date, the full benefit can be taken in cash**
Your savings balance (Your Member Individual Account) as at 1 March 2021 and future growth on that balance	**Under 55**	All post 1 March 2021 contributions plus growth
Your savings balance (Your Member Individual Account) as at 1 March 2021 and future growth on that balance. PLUS Future contributions to the CPUT Retirement Fund plus growth on these contributions As such if you retire from the CPUT Retirement Fund, you are totally unaffected by these changes	**55 and**	All post-1 March 2021 contributions to **any fund other than** the CPUT Retirement Fund plus growth

PROTECTION OF PERSONAL INFORMATION ACT (POPIA)

The full provisions of the Protection of Personal Information Act ("POPIA") commenced from 1 July 2020, and companies, as well as retirement funds, have one year from this date to ensure compliance – i.e. **the Fund must comply by 1 July 2021**.

POPIA applies to the **processing** of **personal information** in the form of a **record** by, or on behalf of, a **responsible party**. The CPUT Retirement Fund, as a responsible party, processes personal information concerning its members.

As a registered retirement fund, we also have third party service providers (operators) who process personal information of data subjects on behalf of the Fund. The CPUT Retirement Fund prioritises protecting this personal information to ensure that it does not end up in the wrong hands. It is our responsibility to ensure that we process personal information in accordance with the conditions for lawful processing in terms of POPIA.

The CPUT Retirement Fund is aligned with POPIA and getting their information governance practices in line with the Act's requirements.

It is clear that the POPIA demands that requisite actions be taken by the Fund, the Trustees and Principal Officer, and service providers. With full compliance required by July 2021, the Fund and the associated parties (service providers) are currently ensuring ways in that full compliance will be achieved by 1 July 2021.

Your personal information is valuable and needs to be managed carefully. We will keep you updated on the progress thereof.

Cape Peninsula University of Technology

PLANNING FOR RETIREMENT WORKSHOPS

These workshops normally take place quarterly. These face to face workshops are not currently taking place due to the COVID-19 pandemic.

In March 2021 a Retirement Planning workshop was held virtually. This was well received, and the next virtual workshop will be held in July 2021. If the COVID pandemic eases, we may do face to face workshops with fewer people. We will keep you updated in this regard.

However, for those individuals that can’t attend the workshops, a video on this topic is available and is broken into different modules for members to watch during their own time. The video takes place in of the form of a power point presentation with the usual presenter visible and giving the tutorials.

Please contact Rushnah Davids who give you the link to follow if you are interested to view this.

Choosing the right pension is not an easy decision to make. We encourage you to attend these retirement planning sessions – even if you have previously attended; where you will receive in-depth education on all the options available to you. This in turn will pave the way for an easier decision-making process.

2021 ANNUAL GENERAL MEETING

The Annual General meeting of the CPUT Retirement Fund was held virtually in March 2021. At the Annual General Meeting, the chairperson of the Board of Trustees, the communication consultant as well as the Actuary to the Fund reported on the main events of the past year; the recent developments of the Fund; the investment performance of the Fund as well as the financial position of the Fund.

GENERAL INFORMATION

Due to the importance of the following items, they are standard features and are repeated in subsequent newsletters.

1. EXITS FROM THE FUND

A. DEATH

The importance of completing beneficiary nomination forms

This is explained in detail later on in the newsletter. Please read it carefully as it is an extremely important article.

B. RESIGNATION

How to speed up the benefit payment when leaving the Fund

When you leave the Fund, you will remain in the Fund as a paid up member unless you elect otherwise. If you elect to transfer or receive the benefit as cash, an income tax number is required in order to pay out your benefit. All members of the Fund, who are not registered as tax-payers and thus do not have a personal income tax number, must register and obtain a personal income tax number. It is important to do so in order to avoid unnecessary delays when a benefit needs to be paid out.

2. COMPLETION OF CLAIM FORMS

Claim forms that are not completed correctly will result in unnecessary delays. It is therefore important that you read the claim form thoroughly, fill in all relevant information and then submit whatever claim you may have to Human Resources for processing. If this is not adhered to, the benefit will remain in the Fund and will be invested in the underlying portfolio for another month.

3. BENEFICIARY NOMINATION FORMS – THE IMPORTANCE OF COMPLETING THESE

DEATH, ESPECIALLY ONE'S OWN, IS NOT A SUBJECT ONE WANTS TO THINK OF OR TALK ABOUT. HOWEVER, IT IS EXTREMELY IMPORTANT FOR ALL MEMBERS TO CAREFULLY CONSIDER THIS IN ORDER FOR THE DEATH BENEFITS PROVIDED BY THE FUND TO BE FINALISED AS SOON AS POSSIBLE.

There is an obligation on you, the member, to notify the Fund as to who you wish the beneficiaries of your death benefits should be. We therefore encourage and urge all members to please assist the Fund in ensuring that the Beneficiary Nomination form be completed and sent to the Fund's office. If you have already submitted a Beneficiary Nomination form in the past and your domestic situation has altered, it is necessary for you to submit a new form to replace the old one. It is important for all members to list ALL dependents (all spouses, children, partners, parents), especially those who you support financially. You may also indicate the portions of the benefit you would prefer to be allocated to your dependents. Feel free to indicate on the form your reason for allocating your benefit as you have indicated. The Trustees must and will consider your nomination form.

WHY IS IT SO IMPORTANT THAT THESE FORMS BE COMPLETED?

It is important for the Fund to have your beneficiary nominations as it will, on your death, serve as a guide to the Trustees in the allocation of your benefits; although, please note, that the Trustees are required to determine and allocate death benefits in accordance with section 37C of the Pension Funds Act. This Act requires the Trustees to pay your death benefit to those persons that were financially dependent on you at the time of your death and/or those who could have become financially dependent on you had you not died. The Trustees thus have to go through a process of establishing all the parties that are financially dependent on you which may take some time. Your beneficiary nomination form will assist the Trustees to speed up the process.

By completing the forms (and keeping them updated), you will be advising the Fund of your wishes in the event of your death (subject to Section 37C above). This information will also help to speed up the pay-out process in the event of your death.

Remember that the information provided will always be treated as confidential by the Fund administrators and only made available to the Trustees when a claim is considered. Some members believe the requirements of the Act disempowers them as far as their wishes as to the allocation of benefits is concerned. Your nomination form must, however, be considered by the Trustees when an allocation is made. The Board must have a good reason to deviate from your written nomination and your beneficiaries are entitled to know their reasons for doing so.

Should you not have advised the Fund of all your dependents, this investigation will take longer and might cause hardship for your family. The Trustees can only arrange payment of your benefit once they are aware of all the facts.

Your list of dependants and beneficiaries is treated with the utmost confidentiality.

If you need a beneficiary nomination form, please contact the Fund and we will send you one. If you are unsure as to how to complete these forms, we will assist you in this regard.

ADDITIONAL INFORMATION ABOUT THE CPUT RETIREMENT FUND

- Established on 1 November 1994.
- Membership of the Fund is compulsory for all employees unless member elected to join the NTRF at joining.

MISSION AND VALUES

- Honesty – the Fund will always act towards its members in a transparent and honest manner
- Empowerment – the Fund has a focus on providing members with education which aims to empower members to understand their benefits and make the right decisions
- Innovation – the Fund aims to be at the forefront of developments in the retirement fund industry

GOVERNANCE

The Fund is separate from the Employer and is managed by the Board of Trustees.

The Board of Trustees =

- 5 individuals elected by members of the Fund + 5 individuals appointed by the Employer
- Term of 3 years
- Meets at least 4 times a year
- Responsibilities are to run the Fund in the best interest of the members and manage the Fund in terms of the Rules and applicable laws
- The Rules of the Fund can be obtained from the Principal Officer on request – details below

Your Board of Trustees are:

Member-elected trustees	Council appointed
WA Lötter (Chairperson) WAJ Smith (Vice-chairperson) C Bezuidenhout S van der Merwe A Neethling	N Qomoyi C Nhlapo P Sotshononda P Du Plessis J Dubihlela

The member trustee elections that were due to take place in March 2020 were postponed until further notice. This was cancelled due to the institutional closure arising from protests as well as the COVID-19 pandemic.

Principal Officer: Ms Rushnah Davids

If you need to know anything that is Fund specific, she is the person you need to contact, and she will always willingly assist you. Her contact details are:
E-Mail: DavidsRu@cput.ac.za Telephone: 083 7922022

COMMUNICATION

More information is provided via the following:

- Fund Website for all Fund information: www.cputretirementfund.co.za
- Newsletters will be issued bi-annually
- Benefit statements showing your benefits will be issued annually towards the end of January
- Projection statements showing the expected pension that your retirement savings are likely to provide will be issued annually with your benefit statements towards the end of January

- Alexander Forbes Online facility where you can check your own information on a real time basis: www.alexanderforbes.co.za. In order to access this site, you need to register and then you will receive a pin and password. The AF on-line gives you access to the following information:
  - ✓ Your Member Share
  - ✓ Your contribution allocation
  - ✓ Projection tools – retirement calculator
  - ✓ Access to your benefit statement

- Fund Rules can be obtained from the Principal Officer (details below) or from the Fund website.
- Presentations and workshops are held regularly. In particular the pre-retirement workshops which continue to be held quarterly for all in-service members who are aged 50 and older, however all members can attend. We encourage all members who are aged 50 and older to attend these workshops. These workshops are educational in nature, and explain in detail the different pension options available, thereby empowering members to make the RIGHT CHOICE at retirement. Furthermore, should you wish to bring your spouse along with you, please feel free to do so. (These sessions are currently being held virtually)

QUESTIONS OR QUERIES - PLEASE CONTACT:

The Principal Officer: Rushnah Davids
E-Mail: DavidsRu@cput.ac.za

CHANGE IN ADDRESS OR PERSONAL DETAILS

Please notify the Human Resources department in writing of any such changes.

COSTS

Administration and Fund costs

By pooling members' retirement savings in the Fund, the Trustees are able to negotiate lower costs than a member would typically otherwise be able to receive on their savings in the retail market. As part of increased transparency in the Fund, the Trustees will be showing the fees charged inside of the Fund.

- Active members – Fund costs are funded from a deduction from the contribution rate – 0.35% of pensionable salary.
- Deferred members – nothing currently. As soon as costs are finalised we will inform you.
- Deferred pensioners – nothing currently. As soon as costs are finalised we will inform you.
- Living annuitants – Initial fee = R 933.77 plus VAT (this is a once-off fee). Administration costs of R 81.72 pmpm plus VAT. This is deducted from the living annuity balance.
- **The Switching costs** (cost of changing investment decision) – first switch in the year is free. Thereafter R350.00 plus VAT is deducted from your account per switch.

Note fees are subject to review typically every 1 July.

Cape Peninsula University of Technology

INVESTMENT FEES AND CHARGES FOR THE 12 MONTHS ENDING 30 JUNE 2020

The investment management fees and related costs and charges which currently apply to the CPUTRF investment portfolios are expressed as a percentage of the amount invested, per annum. This includes VAT where applicable. In practice, fees and charges are usually taken monthly (so the monthly fee percentages can be estimated by dividing the figures shown in the table below by 12).

Remember that the investment performance figures shown to CPUTRF members are after all these fees and charges have been deducted, i.e. they are net of all these fees and charges. Investment Manager Portfolio

	Investment management fees, but excluding performance fees	Performance fees / (rebate) (1)	Other investment-related costs and charges (2)	**Total fees and charges, including performance fees**
Allan Gray Global Balanced	0.43%	0.00%	0.14%	**0.57%**
Allan Gray Global Stable	0.46%	0.00%	0.10%	**0.56%**
Coronation Houseview	0.72%	0.00%	0.38%	**1.10%**
Coronation Inflation Plus	0.50%	0.09%	0.17%	**0.77%**
Ninety One Balanced	0.60%	0.00%	0.28%	**0.88%**
Ninety One Money Market	0.09%	0.00%	0.01%	**0.10%**
27four Shari'ah Balanced	0.87%	0.00%	0.20%	**1.07%**

(1) Where the CPUTRF has a performance fee arrangement in place with an investment manager, performance fees may be payable depending on how these managers perform compared to their benchmarks (targets), and therefore the total fees and charges will vary from time to time.

(2) Other costs and charges include items such as trading costs (e.g. stockbroker commission when shares are bought and sold), bank charges, taxes and custody fees.

These fees and charges have changed from time to time in the past and may change (up or down) in the future. The CPUTRF Board is committed to ensuring that the investment portfolios are reasonably priced and competitive.