

LIVING ANNUITY ANNUAL RE-ELECTION

I (full names), a living annuitant of the Cape Peninsula University of Technology Retirement Fund (hereafter referred to as "the Fund") having received financial counselling hereby elect with effect from (Review Date) as follows:

I hereby acknowledge and declare:

1. The living annuity is to be invested in a separate living annuity account in the Fund Investment Portfolios indicated below which I may initially elect and subsequently switch subject to the Fund's investment portfolio and switching rules and charges as revised by the Trustees from time to time. The living annuity account will be credited monthly with the investment returns net of investment management and tax charges achieved on the relevant investment portfolio. I understand that these returns may be positive or negative.
2. I must elect initially with effect from the inception date and annually thereafter on the anniversary of the inception date, a draw-down percentage between such percentage of the total living annuity account balance that is laid down from time to time by SARS. These elections are further subject to such conditions and limitations as the Trustees may lay down from time to time. This election must be provided to the Fund one (1) calendar month prior to the effective date of the election.
3. The Trustees understand that there is a balance between having a sustainable income (i.e., not wanting to run out of money) and not drawing so little that your income doesn't meet your short term needs. With this in mind, the Trustees have provided guidelines as to a maximum recommended drawdown rate to assist in guiding members. While this rate is intended to provide a sustainable income, these rates are still subject to the risk that the money is insufficient and should not be considered a substitute for specific financial advice. The rates below are intended as a guide and are based on information provided by the Financial Sector Conduct Authority.

Age	Recommended drawdown rates	Maximum drawdown rates
55 to 59	4.0%	6.5%
60 to 64	4.5%	7.0%
65 to 69	5.0%	8.0%
70 to 74	5.0%	8.0%
75 to 79	5.5%	8.5%
80 to 84	6.0%	9.5%
85 and older	7.0%	11.5%

The maximum shown above is not a hard limit (unlike that in place by SARS), but should you wish to draw above this limit we would ask that you have considered the possibility of running out of money and recommend that you seek specific financial advice tailored to your circumstances.

4. I hereby elect the initial investment portfolios and initial annual draw-down percentage as follows:

Investment Portfolio	Revised Investment Allocation (specify %)	Total Annual Draw-Down % (specify % or R pm)	How Annual Draw-Down % is to be applied to all investment portfolios (specify %)
Long-term Growth	%	<p>.....% (Annual draw down must comply with the limits imposed by SARS)</p> <p>OR</p> <p>R_____per month</p>	%
Medium-term Protection (Default portfolio)	%		%
Money Market	%		%
Shari'ah	%		%

Based on my age the maximum drawdown is% (look up from table above). Please tick the relevant box below.

- I am below the maximum rate above for my age;
 OR
- I am above the maximum rate above and have either received my own financial advice or am aware that I am increasing the likelihood that my living annuity account will prove insufficient to provide a sustainable income for my remaining lifetime.

Important Note:

Please note that should the manger selection or weighting of the Long-term / Medium-term or Money Market Portfolio's ever change, your member election will automatically re-align to the new weighting. Please note that we will be using the value at statement date to calculate the draw down percentage.

- My elected draw-down percentage from time to time will be applied initially from the inception date and annually thereafter on the anniversary of the inception date to the then balance in the relevant investment portfolio in my living annuity account (less an allowance for expenses as determined by the Trustees) to determine my annual pension. The annual pension so determined will be payable in fixed monthly instalments over the ensuing year. In the event of a significant decline in the market value of the living annuity account balance at any time in future, the Fund reserves the right to either apply my elected percentage draw-down to the new balance in the living annuity account and/or the Fund may require me to re-elect the percentage draw-down.
- The living annuity account will be debited with administrative expenses, any taxation, or other statutory charges. These expenses will be debited as they arise to each investment portfolio in proportion to the monthly pension drawn from the respective investment portfolios.
- The Fund will levy a once-off administration fee of **R963.65** (plus VAT) for the establishment of my living annuity account, deducted from my Fund Credit at retirement. In addition, there will be a monthly administrative charge of **R84.34** per month (plus VAT) deducted from my monthly pension. These amounts will be subject to review by the Trustees from time to time.
- I acknowledge that the Fund requires me to consult with a financial counsellor initially and that the Fund recommends that I consult with a financial counsellor on an annual basis thereafter to assist me in

reviewing my investment strategy and percentage pension draw-down. I understand that I will be liable for the costs of such advice.

9. Following my death, the remaining balance in the living annuity account, less expenses, will be allocated by the Trustees to provide either a living annuity or other pension benefits as decided by the Trustees to my dependant(s) and/or nominated Beneficiaries in accordance with Section 37C of the Pension Funds Act. Such a living annuity or other pension provided by the Fund will be subject to the rules of the Fund and the conditions set out in this declaration.
10. If there are no remaining dependants then the then living annuity account balance will be paid to the estate of the last dying of myself or my spouse.
11. The maximum liability of the Fund at any time is the remaining balance in the living annuity account.
12. Subject to one calendar months' notice, I may at any time hereafter instruct the Fund to apply the then living annuity account balance to purchase from an insurer either a life annuity or a living annuity with myself as the owner and subject to such conditions as may be laid down by legislation from time to time. I understand that thereafter I, my spouse and dependant(s) will have no further claim against the Fund and that my membership of the Fund shall then cease accordingly.
13. I understand that should the living annuity account balance at any stage reduce below the capital required to purchase the then State Old Age Pension, the living annuity account balance must be applied to purchase a life annuity from an insurer with myself as owner and subject to such conditions as may be laid down by legislation from time to time. I understand that thereafter I, my spouse and dependant(s) will have no further claim against the Fund and that my membership of the Fund shall then cease accordingly.
14. I may switch investment portfolios in accordance with the Fund's standard terms and conditions on switching. I have referred to the Fund's switching guide and I understand the charging structure, and the requirements and procedures for issuing my switching instructions to the administrator.

I hereby declare that:

1. I have received financial advice regarding the option to select an alternative pension in the form of a living annuity and on the basis thereof I have elected the option indicated above. I have received financial advice on how to make provision to counter the effects of future inflation and to provide for a pension on my death to my spouse.
2. I understand that by selecting a living annuity, I directly take on the full risk that the pension provided by the underlying capital balance from time to time might be inadequate. I understand that the capital may also be diminished prior to my death and the death of my spouse and dependant(s).

I understand that these situations may arise for a variety of reasons including:

- **FLUCTUATIONS IN THE MARKET VALUE OF THE CAPITAL**
The value of the underlying capital balance will increase and decrease from time to time depending on the fluctuations in the market value of the underlying investments.
 - **FLUCTUATIONS IN THE INVESTMENT INCOME**
The investment earnings on the underlying capital balance will fluctuate from time to time.
 - **DRAW DOWN OF CAPITAL**
The pension that is drawn will be supported partly by investment income earned on the underlying capital. To the extent that the investment income earned on the capital is insufficient to cover the pension drawn, the capital itself will be reduced. Periods of poor investment performance will worsen this.
 - **LIFE EXPECTANCY**
I and/or my dependants may live longer than expected.
3. By electing a living annuity, I acknowledge that myself my spouse and any current and future dependants have no further claim against the Fund or my employer except to the extent of the balance in my living annuity account (while furnished from the Fund).

AMBIT OF INDEMNITY

I, the abovementioned member, do hereby –

- (a) indemnify and irrevocably hold the FUND harmless as a result of my decision to elect a living annuity and/or as a result of any diminution of my living annuity account in the FUND owing to the investment choices and percentage pension draw down I elect from time to time, and
- (b) acknowledge this indemnification to also bind my heirs, executors, administrators and assigns.

Signed by the Member/Pensioner:

(member)

(date)

(place)

(witness)

(witness)

Co-signed by the spouse of the Member/Pensioner:

(spouse)

(date)

(place)

Witness

Witness

Signed by the Fund:

(on behalf of the Fund)
the signatory warrants that he/she is duly authorized

NAME OF FUND SIGNATORY _____

PLACE: _____

DATE: _____

Annexure I – Investment Portfolio objectives and underlying manager weights

This annexure summarises the investment objectives of the Investment Portfolios as per the Fund's latest Investment Policy Statement.

Long-term Growth Portfolio and Single Manager Portfolios

The investment objective of the Long-term Growth Portfolio is to provide a net real return¹ of 4.5% p.a. over any rolling 7-year period, with a less than 15% chance of a net real return less than 0% over the same 7-year measurement period. If this objective is met, then the portfolio will tend to afford some protection, but no guarantees, against negative returns in weak markets.

The Long-term Growth Portfolio underlying manager weightings are:

- Allan Gray Life Global Balanced Fund 33.33%
- Ninety One Balanced Fund 33.33%
- Coronation Houseview Fund 33.34%

Medium-term Protection Portfolio (Default portfolio)

The investment objective of the Medium-term Protection Portfolio is to earn a net real return of 2.5% p.a. relative to inflation over any rolling 3-year period, subject to the constraint that there is less than a 5% chance of a negative investment return over any rolling 1-year period.

The Medium-term Protection Portfolio underlying manager weightings are

- Coronation Inflation Plus Fund 33.33%
- Allan Gray Life Global Stable Fund 33.33%
- Ninety One Cautious Managed Fund 33.34%

Money Market Portfolio

The primary investment objective of the Money Market Portfolio is to achieve maximum capital protection but without guarantees, with potential to earn a net real return of 1.5% p.a. relative to inflation over any rolling 1-year period.

The Money Market portfolio comprises of:

- Ninety One Money Market Fund 100%

Shari'ah Portfolio

The investment objective of the Shari'ah Portfolio is to provide a net real return of 4.0% p.a. over any rolling 5-year period. The portfolio will be invested in a balanced, Shari'ah compliant product and will aim to meet the dual goal of providing a reasonable return with lower risk. The underlying portfolio will be weighted slightly towards Shari'ah compliant equities relative to Islamic bonds and similar instruments, and aims to be suitable for investors with a short or long time horizon.

Shari'ah Portfolio comprises of:

- 27four Shari'ah Multi Managed Balanced Fund 100%

¹ Real return is the return on the investment above inflation.