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April 2019

Dear Member

OPN PRESERVATION PROVIDENT PLAN
ANNUAL MEMBER COMMUNICATION

On your journey towards your retirement, it is important to ensure that your investment remains suitably structured and that you understand all the information relating to your investment contract and your membership of the Fund.

This annual member communication covers:

- An overview of the retirement fund reform proposals and legislative amendments, which may affect members of the Fund.
- Important information relating to the registration of the Fund and contact details.
- Details regarding the Fund's appointments, such as the board of trustees, principal officer and administrator.
- Amendments to the Fund's rules made during 2018.
- Important matters that should be reviewed regularly.

We urge you to go through this information carefully and to keep this document for future reference. Should you have any queries or require further information, please contact the PPS Investments Client Service Centre on 0860 468 777 (0860 INV PPS), Mondays to Fridays between 08:00 and 17:00, or at clientservices@ppsinvestments.co.za.

Yours sincerely,

Megan Young
Principal Officer

A. Retirement fund reform and legislative changes

New regulations in terms of the Pension Funds Act, effective 1 March 2019, require all retirement funds to make a default annuity strategy available to members at retirement. The Fund must also make retirement benefit counselling available to all members at least three months before their retirement. The default annuity is on an opt-in basis, meaning members may still select their own choice of the type of annuity and the annuity provider, but may select the default option offered by the Fund should they wish. The Fund has developed an annuity strategy, which is the OPN Living Annuity where the Trustees have selected a prescribed investment option and income drawdown levels based on gender and age bands. Members nearing retirement are encouraged to contact their financial adviser for advice.

From 1 March 2019, when a member of an employer pension fund or provident fund reaches retirement age in terms of the rules of that employer fund, the member may elect to transfer his or her retirement benefit to a preservation fund. Once he or she has transferred the benefit to a preservation fund, no withdrawals may be taken before retirement.

From 1 March 2019, a member may take the full benefit in cash prior to the age of 55 years, if he or she emigrates (as recognised by the South African Reserve Bank) or his or her visiting visa or working visa expires.

In 2016, National Treasury proposed the annuitisation of provident funds, whereby provident fund members will be required, upon retirement, to purchase an annuity with two thirds of their fund value in the same manner as retirement annuity fund and pension fund members. The annuitisation of provident funds and provident preservation funds has been postponed until 1 March 2021.

The Fund is regulated by the Financial Services Conduct Authority (FSCA). From 1 April 2018, the FSCA replaced the previous regulatory body known as the Financial Services Board. The objective of FSCA is to protect financial customers by promoting fair treatment by financial institutions, providing financial education programs, and promoting financial literacy. The FSCA will also support the efficiency and integrity of financial markets. Visit their website at www.fsca.co.za.

B. Important information about the Fund

Fund registration

Registered fund name:	Coronation Preservation Provident Fund
Financial Sector Conduct Authority number:	12/8/37643
South African Revenue Service number:	18/20/4/041869
Valuation exemption number:	433977
Registered office:	7th Floor MontClare Place, cnr Campground and Main Road, Claremont, 7708

Fund administration

The Fund has outsourced its administration in terms of Section 13B of the Pension Funds Act to Intembeko Investment Administrators Proprietary Limited.

Board of trustees

The trustees are:

The Principal Officer is Ms Megan Young and the Deputy Principal Officer is Mr Wesley Davids.

The Fund has been exempted from the requirement that at least 50% of the trustees may be elected by members. For more information on the trustees, please visit www.ppsinvestments.co.za. The Fund is further exempted from having to appoint a valuator and undergo statutory valuations.

Fund rules and amendments

The Fund's rules are registered with the FSCA and govern your membership of the Fund as well as the Fund's management and operation. A copy may be requested from the PPS Investments Client Service Centre.

No amendments were made to the Fund rules during 2018.

C. <u>Complaints procedure</u>

If you are not satisfied with this investment or the services from the Fund, a written complaint can be submitted to the Principal Officer using the contact details below. The Fund must respond to your complaint within 30 days.

Coronation Preservation Provident Fund	Tel: 0860 468 777 (0860 INV PPS)
PO Box 44507	Fax: 021 680 3680
Claremont	Website: www.ppsinvestments.co.za
7735	Email: clientservices@ppsinvestments.co.za

If you are not satisfied with the response from the Fund, or if you have received no response within 30 days, you have the right to lodge a written complaint with the Pension Funds Adjudicator.

The Pension Funds Adjudicator	Tel: 012 346 1738
PO Box 580	Fax: 086 693 7472
Menlyn	Website: www.pfa.org.za
0063	Email: enquiries@pfa.org.za

If you have a complaint about the advice given by your financial adviser, you have the right to address your complaint in writing to the Ombud for Financial Services Providers.

The Ombud for Financial Services Providers	Tel: 012 762 5000
PO Box 74571	Fax: 086 764 1422
Lynnwood Ridge	Website: www.faisombud.co.za
0040	Email: info@faisombud.co.za

D. Important matters to review regularly

- **Review your beneficiary nomination**

  The payment of death benefits from a retirement fund is governed by Section 37C of the Pension Funds Act. This means the Trustees must determine who your dependants are, and based on the circumstances of each individual, pay the benefit in such proportions that they deem fair and equitable. A beneficiary nomination made by the member is not binding on the Trustees, however they will take it into account when determining a fair and equitable distribution. Your personal and financial circumstances may have changed over the last year, so it is important to review your beneficiary nomination and update it if necessary.

  Your nominated beneficiary must be a natural person. You may nominate a trust to receive and hold the benefits on behalf of that person, but this is not binding on the Trustees. Please do not nominate your estate as a beneficiary as the Trustees may pay benefits to the estate only in the event that there are no dependants and no other nominees and may be obliged to wait for up to 12 months before paying.

- **Review your savings goals**

  With the assistance of your financial adviser, you should regularly review whether you are saving enough to meet your retirement needs. Although you may be entitled to take one withdrawal before retirement, it is important to preserve your retirement fund capital for as long as possible.

- **Review your planned retirement date**

  You may elect to retire from the Fund at any time after the age of 55 years, unless there is an earlier retirement due to disability or ill health. The longer your retirement capital remains invested in the Fund, the more it can grow. Remember also that investments within the Fund are exempt from income tax, capital gains tax and dividend withholding tax.

- **Review your investment options**

  With the assistance of your financial adviser, you should regularly review whether your selected investment options are appropriate for your age and personal financial circumstances. Younger members can tolerate the risks in a more aggressive portfolio over a longer term of investment, whilst older members approaching retirement may consider a strategy that minimises the potential for capital loss. Be aware that if your current investment enjoys a 'grandfathered' status in terms of Regulation 28, you will lose this status if you switch to another portfolio.