

Unit trusts

Q: What are the timings on transactions?

A: Transaction timing differs on account, fund and instruction type. All transaction timings are based on trading/working days.

The instructions that may be processed are:

Instruction type

New / Additional investments: All instructions will only be processed (Trading day or "T") once the funds for the instruction are cleared in our account and matched to the instruction. The processing time will then be T+2 or Trading day + 2.

Switch: T+4. This accounts for the divestment from one fund and investment of those funds the investor is switching into.

Withdrawals: T+5.

Funds

In the case of an equity based unit trust fund, instructions must be submitted before 10am. Any instruction received after that will be allocated to the next trading day.

In the case of money market unit trust funds, the cut off time is 08h30.

Account type

Voluntary Investment Plan (VIP) sometimes referred to as a discretionary portfolio.

- All instruction types are allowed.

Endowments

- New, additional and switch instructions are allowed.
- Withdrawals can only be placed at maturity. After maturity you may withdraw or request a regular income from the endowment.

Retirement annuity

- Only New, Additional and Switch instructions are allowed.
- You can only withdraw from an RA at retirement, unless the holdings are less than R7,000 in which case clients can commute 100% in cash (subject to tax). In this case a withdrawal may take T+7.
- At retirement, if the value is below R75,000 you may commute 100%. If the value is greater than R75,000 only up to one third may be commuted to cash.



- T+7 for tax application, repurchase to settle and payment.

Preservation fund

- Only New Investment and switch instructions are allowed.
- You cannot withdraw from a Preservation fund, but may transfer it to an Equity Linked Living Annuity at retirement.

Equity Linked Living Annuity

- You would schedule monthly withdrawals upon retirement.

Q: What is Regulation 28?

A: Part of the Pension Funds Act, detailing the rules with regards to what pension funds may or may not invest in.