

The Voluntary Investment Plan makes things simple. It is an investment vehicle that allows you to grow your capital and have control over the selection of underlying investments.

### Who is involved?

PSG Invest (Pty) Limited, an approved administrator and an authorised financial services provider, is the Administrator of the Voluntary Investment Plan. PSG Invest is a wholly owned subsidiary of PSG Asset Management Holdings (Pty) Limited. PSG Asset Management Holdings is 100% owned by PSG Wealth Limited which, in turn, is 73.2% owned by the JSE-Listed PSG Group which was founded in 1995. PSG prides themselves on their ability to identify and invest in well-managed companies that can create value for all stakeholders.

### Investing in the Voluntary Investment Plan

The Voluntary Investment Plan is a personal investment portfolio geared for growth and tailored to your individual needs and risk tolerance. The Administrator offers a wide range of collective investment schemes. You may switch between these portfolios easily and cost effectively, at any point during the investment period.

The Voluntary Investment Plan offers flexible payment options. You can invest a lump sum, with or without recurring investments, as well as ad hoc amounts at any time. You may also withdraw your capital whenever you reach your financial goal. The minimum lump sum amount is R20 000. The minimum recurring investment amount is R500 per month.

The Administrator's comprehensive reporting reflects unrealised gains and losses. This makes tax planning simpler. You can take capital gains tax consequences into account before selling or switching.

### Investment Options

The Administrator works with a number of respected fund managers so we can offer you the benefits of a focused financial services company with a wide range of solutions. Together with your Financial Advisor you choose the collective investment scheme you wish to invest in. There is a healthy spread of combinations and your Financial Advisor will be able to help you structure your portfolio according to your individual risk profile.

### Open architecture – Collective Investment schemes:

The Administrator offers an extensive range of investment portfolios, which are managed by respected companies such as PSG Asset Management, as well as a number of 3<sup>rd</sup> party asset managers. You can choose from this range of collective investments and switch between portfolios at any time.

### What fees are involved?

Your investment will attract an ongoing investment administration fee as well as asset management fees levied by the relevant fund management companies, depending on the underlying investments selected.

## What fees are involved? (Continued)

Here is a breakdown of the relevant fees:

### Initial Fees

Initial fees are deducted before the investment is made.

i) **Initial investment administration fee**

There is no Initial Investment Administration fee for single and recurring contributions.

ii) **Asset management fee**

The Manager of any particular fund or portfolio deducts any initial asset management fee from each investment amount (or amount to be switched) before the purchase of units. The fee is based on the investment amount (or amount to be switched) less any initial financial advisory fees.

iii) **Initial financial advisory fee**

If you and your financial adviser agree to an initial financial advisory fee (as indicated in the application form or any other written communication acceptable to the Administrator), the Administrator will deduct the agreed amount from the investment before the investment is made.

### Ongoing fees

All ongoing fees are calculated and accrued daily, based on the market value of the investment at the end of each day.

i) **Ongoing investment administration fee**

For a detailed breakdown of the fees applicable for an existing policy, please refer to your client Welcome Pack. For a detailed breakdown of the fees applicable for new policy, please refer to Fee Appendix 1 on your application form.

Fees are based on the total portfolio market value, including VAT. Depending on the fund and fund class of your chosen fund or portfolio, ongoing investment administration fees are deducted by selling units from the funds or portfolios. Where applicable, the full rebate received from the fund manager will be used to reduce the yearly Investment Administration Fee. Excess rebates will be allocated to the investment in the following month, in the form of purchased units.

ii) **Asset Management fee**

The Manager of any particular fund or portfolio charges ongoing asset management fees. There are also other allowable expenses associated with funds or portfolios. These fees and expenses are included in the published price of the funds or portfolio. Please refer to the relevant Fund or Portfolio Fact Sheets and the relevant Fund List for more details.

## What fees are involved? (Continued)

### iii) **Ongoing financial advisory fee**

A maximum of 1.00% plus VAT i.e. 1.14% per annum of the market value of the investment amount will be deducted monthly.

**Depending on the class of your chosen fund or portfolio, ongoing financial advisory fees are either:**

- Deducted by selling units from the portfolio. The Administrator pays this amount to the adviser monthly; or
- The Fund Manager pays this amount to the Financial Adviser, or to the Administrator who pays the Financial Adviser.

## Other fees

### i) **Switching fee**

No switching fees or withdrawal fees will be applicable.

### ii) **Debit order return fee**

A fee of R100.00 is payable in the event of the return of a scheduled debit order.

## Term of the Investment

No investment term is stipulated. Returns are derived from the underlying investments in the portfolio and are subject to market conditions.

## Investment risk

Asset classes such as equities may experience substantial variation over shorter time periods, but should have less variability of real returns over the longer terms. It is therefore important to not lose sight of your long-term goals when making an investment decision. Your Financial Adviser will be able to recommend suitable underlying investment options, based on your financial needs.

## Withdrawals

While your money is invested with us, you may opt for regular or ad hoc withdrawals at any time. You determine the amount as well as the payment frequency for regular withdrawals – monthly, quarterly, half-yearly or yearly.

## Death benefits

In the event of your death, the investment forms part of your estate and may be subject to estate duty. No beneficiaries may be nominated, and you will therefore need to bequeath the investment in your will.

## Tax implications

Income distributions from collective investment portfolios and gains on disposal may be taxable to certain limits. For more information, please contact your Financial Adviser.

## Investing through PSG Invest

PSG Invest offers unique investment solutions, designed to assist you to create and preserve wealth throughout your lifetime. Your Financial Adviser will be able to provide details of other solutions available through PSG Invest.

## Applying for the Voluntary Investment Plan

Simply complete the application form and submit your application to your Financial Adviser. Your investment will be processed once the investment amount is cleared in the allocated bank account, and the Administrator has received all the required FICA documents.

Premiums can be deposited in the following account:

Account Name	: <b>PSG Invest Voluntary Investment Account</b>
Account Number	: <b>000135542</b>
Bank Name	: <b>Standard Bank</b>
Type of Account	: <b>Business Current Account</b>
Branch Name	: <b>Johannesburg</b>
Branch Code	: <b>000 205</b>

Please fax or email your completed **application form, proof of payment, signed quote, certified copy of ID, certified copy of proof of physical address i.e. utility bill (not older than 3 months) and certified copy of proof of bank details (not older than 3 months)** to the details below.

This instruction may be e-mailed to [clientservice@psg.co.za](mailto:clientservice@psg.co.za) or faxed to 011 388 1143.

For more information, contact your Financial Adviser, visit our website at [www.psgam.co.za](http://www.psgam.co.za) or contact one of our **Client Services Consultants** on **0800 117 180** or [clientservice@psg.co.za](mailto:clientservice@psg.co.za).