

Asset Management FAQ

Q: Can I have my debit order on any other day than the 1st of the month?

A: No, debit orders only run on the first working day of the month.

Q: Can I view my PSG Asset Management account online?

A: Yes, contact 0800 600 168 for assistance.

Q: When do I get statements?

A: Statements are emailed quarterly and posted we don't hold.

Q: How do I complete the Application Form / Transfer Form / Switch Form / Repurchase Form etc?

A: Contact 0800 600 168 for assistance.

Q: Can I be a direct client without a financial adviser?

A: Non advised/direct investors are only able to invest through our lisp

Q: Can I have one debit order split between my various funds?

A: No, unfortunately we can only allow one debit order per fund.

Q: What are the various fees unit trust investors incur?

A: There are essentially three sets of fees generally paid by unit trust investors: a fee for financial advice where advice is sought, fund administration fees and the investment management fee. When we refer to performance-based fees, we are referring to the type of fee that is charged for investment management.

Q: Can I get investment advice from PSG Asset Management?

A: PSG Asset Management is currently unable to provide investors with investment advice. We suggest that you speak to a financial adviser. To find a PSG Wealth financial adviser near you, please [click here](#). To find another financial adviser we suggest you look on the website of the Financial Planning Institute www.fpi.co.za

Q: If I buy or sell a fund, what will the price per share be?

A: All of the investment products that we manage are priced on a 'forward pricing basis'. This means that we are unable to tell you the price at which you would buy or sell a fund when the deal is placed. The current price will however give you an indication of the level of the price you can expect.

Q: How can I obtain a valuation on my holding?



A: You can obtain a valuation either by contacting us by telephone on 0800 600 168 or by emailing local.queries@psgadmin.co.za.

Q: If I sell my investment, how long will it take before I receive the proceeds?

A: Settlement should normally take no more than one week (except in exceptional circumstances or in respect of our low liquidity funds), from the time you place your instruction to sell. You should note however that proceeds are usually only ever released once our settlement requirements have been met. Please contact us for further information on how to place an instruction to sell or for our settlement requirements.

Q: How can I find out how my investment has performed?

A: [Minimum disclosure documents](#) provide comprehensive information on each Fund.

Q: What is the Total Expense Ratio or TER?

A: The TER expresses what percentage of a fund's assets was needed to pay for the operating expenses and investment management fees of the portfolio over a specific period (e.g. a calendar year). Basically the TER provides a way to measure how costs affect a portfolio. Every fund incurs costs which means that a certain percentage of the portfolio's assets need to be deducted to meet these costs. The following formula is used to calculate the TER of a fund:

Total Expense Ratio = (Investment management fees + Operating costs) / Net Asset Value

Q: How can I buy one of your funds?

A: You will need a copy of the relevant prospectus or key features document and then need to complete the application form and send it with the appropriate payment to the administration address provided on the form.

We normally recommend that clients receive advice from a professional financial adviser before making an investment into our funds. A financial adviser will be able to advise on the suitability of the investment as well as the costs of investing.

Q: How do I make a complaint?

A: If you wish to make a complaint, please write in the first instance to our Compliance Officer (compliance@psgam.co.za).

You may also refer your complaint to the Investment Ombudsman or the Financial Services Authority Ombudsman. Investors in Malta-based offshore funds can also refer their complaint to our Compliance Officer (compliance@psgam.co.za), who will liaise with PSG Malta on your issue. Should the matter not be resolved to your satisfaction, it can then be referred to the Malta Arbitrator for Financial Services (complaint.info@financialarbitrator.org.mt).

Q: Do any of your funds charge performance fees?

A: Yes, some of our funds do charge performance fees, for full details please refer to the relevant prospectus for the fund that you are interested in.



Q: How do I purchase a product?

A: You can purchase unit trusts in the following ways:

- Through your financial adviser.
- If you don't have a financial adviser, [click here](#) to submit your details online, and a PSG Wealth adviser will contact you.
- If you have lost contact with your financial adviser, please call us on 0800 600 168 and we will provide you with the details of any financial adviser linked to your account.

Q: How do I change my personal details?

A: You can change your personal details in the following ways:

- Contact our Client Contact Centre (0800 600 168) and they'll gladly assist you.
- Send an email to our Client Contact Centre with your ID number and other personal details, indicating clearly which ones have changed.

Q: Can I visit PSG Asset Management?

A: You are welcome to visit our offices which are situated at the following address:

First Floor, PSG House, Alphen Park, Constantia Main Road, Constantia, Western Cape, 7806. Please first call to make an appointment on 0217998000.

Q: What is a Unit Trust?

A: A unit trust, also known as a Collective Investment Scheme (CIS) portfolio, is a professionally managed spread of investments in which a group of investors pool their money. A unit trust portfolio typically invests in shares, bonds, money market instruments and other investments. This pool is then divided into equal units, also referred to as participatory interests, in which investors share in the fund's gains, losses, income and expenses on a proportional basis.

Q: What are the benefits of investing in a unit trust?

A: The benefits of investing in a unit trust are as follows:

- **Diversification:** The professionals who manage the unit trust portfolios, known as investment managers, spread the risks involved in investing by investing in a variety of underlying assets. By investing a small amount in a unit trust, you are exposed to a wide range of assets.
- **The investment amounts are not prohibitive:** With unit trusts, a small sum allows you to invest in a well-diversified portfolio.
- **Your investment is easily accessed:** You can redeem your unit trust investments (convert them back into cash) whenever you need the money. There are no minimum investment periods, although the Association for Savings and Investment SA (ASISA) recommends an investment horizon of between three and five years. We do not charge an entry fee or exit fee, therefore, there is no further costs to redeem your units.
- **Unit trusts come with safeguards:** Each unit trust fund is required by law to appoint a trustee who looks after all the cash, shares or bonds that your fund owns. The trustee is an authorised



bank or financial institution that is not affiliated to the management company or the asset manager in any way. This means that if anything happens to the management company or the asset manager your investment will not be affected.

- Every unit trust fund has a mandate and supplemental deed, which is a legal contract that sets out its investment objectives and how the fund intends to invest to achieve these objectives. A fund's mandate gives you an indication of how risky the investment is. The trustee of the fund is responsible for ensuring that the management company complies with the fund's mandate.
- In addition, unit trusts are regulated by the Collective Investment Schemes Control Act, No 45 of 2002 ("CISCA") which prohibits investment managers from taking certain risks.
- You are able to find out or calculate the value of your investment quite easily. Most daily newspapers publish the NAV prices of the unit trust funds. In order to calculate the value of your investment, multiply the number of units you own by the NAV price published in the newspaper and divide by 100 (as the NAV prices are calculated and published in cents). Errors and omissions can occur from time to time and we, therefore, recommend confirming your investment value with us. This can be done by contacting our unit trust client services team on 0800 600 168.
- Certain newspapers and financial publications publish unit trust performance tables from time to time. This allows you to compare the performance of your fund to other funds in the same category. These tables show you the return made over certain periods, such as a year, three years or five years.

Q: Who should invest in a unit trust?

A: Unit Trusts are ideally suited to people who do not have the time or knowledge required to select individual shares on stock exchanges themselves, or who have limited capital, but would like the benefits of professional investment management and diversification.

Different unit trusts suit different investors' financial needs and have different levels of risk. You should invest in a fund that suits your needs and particular circumstances.

Q: What is a redemption?

A: A redemption is when you wish to sell some or all of your units that you own in a unit trust portfolio. The proceeds are then paid into your nominated bank account. A sale of units is sometimes referred to as a repurchase, as the manager of the Collective Investment Scheme is by law (subject to certain exceptions) obligated to repurchase your units from you at your request.

Q: What is a switch?

A: A switch is a repurchase out of one unit trust fund and a purchase into another unit trust fund held with the same management company. The repurchase and the purchase occur on the same day.

Q: What is forward pricing?

A: Forward pricing, which is used throughout the unit trust industry in South Africa, means that your instruction will be valued at the Net Asset Value (NAV) price calculated at the next valuation point. Your purchase or repurchase instructions are therefore processed at prices that are not yet determined when your instructions are received. The PSG Unit Trust Funds are valued daily at 15:00 (valuation point) and carry an instruction cut-off time of 14h30. This means that if you send your



instructions through before 14h30 on any business day, they will be processed at the NAV price that is calculated at 15:00 that afternoon. Instructions received after 14h30 will be processed at the NAV price determined at 15h00 on the following business day.

Q: How long should I be invested in a unit trust?

A: Unit Trust investments should be viewed as a long term investment of between at least three to five years.

Q: How soon are my funds available if I redeem my units?

A: If we receive and verify your Instruction before 14h30, it will be processed on the same business day and in accordance with the Deed. The cut-off time for processing investment transactions for the PSG Money Market Fund is 11h00. The proceeds of the sale of units will be deposited into your bank account on the following day and may take up to 48 hours from when your redemption instruction is processed to reflect in your bank account. There may be delays in the banking process, therefore, this cannot be guaranteed.

Q: Are there any guarantees?

A: A unit trust investment does not provide an investor with any guarantees. Past performance is also no indication of future performance.

Q: Is my money that I invest in a unit trust safe?

A: Yes. Unit Trusts are governed by the Collective Investment Schemes Control Act, No 45 of 2002 and regulated by the Financial Services Board (FSB). trustees oversee the unit trust scheme and the assets of the unit trust funds are held in safe custody at a major financial institution for the benefit of the investors in the fund. Unit Trusts are also required to act in accordance with certain guidelines laid out by the Association for Savings and Investment SA. The assets of the unit trust funds do not form part of the assets of PSG.

Q: What is FICA?

A: South Africa has implemented a law that is designed to combat money laundering, which is the abuse of financial systems in order to hide and/or disguise the proceeds of crime. This law is known as the Financial Intelligence Centre Act 28 of 2001, also referred to as FICA.

In terms of FICA, all accountable institutions (such as banks and ourselves) have specific duties to help prevent money laundering. One of these duties is to perform a "Know your Client" (KYC) check on all clients. What this means for new and existing investors is that they will need to provide us with proof of:

Identity - we will need a copy of your South African green bar-coded ID book. If you do not possess a green bar-coded ID book, we will need a copy of your passport to verify your identification number and full name;

Address - please send a copy of a utility bill to verify your residential address;



Copy of correspondence from SARS to verify your income tax number.

Please refer to our FICA requirements document included in the application form.

Q: What is Money Laundering?

A: Money Laundering is the process by which criminals attempt to conceal the true origin and ownership of the proceeds of criminal activities. If successful, the money can lose its criminal identity and appear legitimate.

Illegal arms sales, smuggling, and the activities of organised crime, including for example, drug trafficking and prostitution, can generate huge sums. Embezzlement, insider trading, bribery and computer fraud schemes can also produce large profits and create the incentive to "legitimise" the ill-gotten gains through money laundering. When a criminal activity generates substantial profits, the individual or group involved must find a way to control the funds without attracting attention to the underlying activity or the persons involved. Criminals do this by disguising the sources, changing the form, or moving the funds to a place where they are less likely to attract attention. In summary, the money launderer wants to:-

- place their money in the financial system, without arousing suspicion;
- move the money around, often in a series of complex transactions crossing multiple jurisdictions, so it becomes difficult to identify its original source; and
- then move the money back into the financial and business system, so that it appears as legitimate funds or assets.

Q: Will my personal information remain confidential?

A: We aim to keep all our clients' details and personal information confidential and handle every instruction with complete privacy.

Q: How do I invest in PSG Asset Management funds?

A: Our funds are available for investment on various investment platforms.

Q: How are the fees recouped from my investment?

A: If you invest via a financial adviser, the initial fee is withheld before we invest your money. You will see on your statement the gross amount to be invested, the initial fee that you agreed to pay your financial adviser and then the net amount to be invested. We pay the initial fee to your financial adviser on your behalf at the end of the month.

The annual management fee is calculated and accrued in the fund on a daily basis. At the end of the month, the amount calculated for the month is paid to us.

Q: How long does it take to execute a transaction?

A: Subject to us having received a fully completed and signed instruction, along with all the relevant documents and proof of deposit (where applicable), instructions received before 14h30 on any business day will be processed on that day at the NAV price calculated at 15h00 on the same day.



Instructions received after the cut-off time of 14:30 will be processed on the following business day at the following day's NAV price.

New investments:

New investments will be processed only after we have received your Investment Application Form, all required supporting documentation, and proof of deposit. Provided we have received all the above mentioned requirements before 14h30, your unit trust investment will be processed at the NAV price calculated at 15h00 that afternoon.

Redemptions:

Instructions received and verified by us will be processed in accordance with our Deed. The proceeds of the sale of units will be deposited into your bank account on the following day and may take up to 48 hours from when your redemption instruction is processed to reflect in your bank account. There may be delays in the banking process, therefore, this cannot be guaranteed.

Q: What documentation can I expect to receive regarding my investment?

A: You will receive:

- Quarterly Statements
- Annual Abridged Financial Statements
- Annual tax certificates - IT3b and IT3c

You are welcome to contact us at any point to request a statement.

Q: Can I request that the proceeds from redemption be paid to a third party?

A: No, your funds cannot be paid to a third party. For security reasons, the proceeds of any unit trust redemption (repurchase) will only be paid to your nominated bank account that you indicated in your Investment Application Form.

Q: What are unit trust distributions?

A: South African tax legislation requires that all South African unit trust funds distribute the net income in the fund (interest and dividends, less expenses) periodically. Income is distributed annually, semi-annually, quarterly or monthly, depending on the type of unit trust fund. Please refer to the [minimum disclosure documents](#) to see when the PSG Unit Trust Funds declare distributions. Distributions are paid to investors in proportion to their unit holding. Distributions can either be paid into your bank account or can be reinvested into the fund to buy more units, thereby taking advantage of compounding returns.

Q: How are unit trusts taxed?

A: There are two types of tax levied on unit trusts.

The first type of tax is levied on interest income from any source.



Unit trusts earn interest and dividends. At the end of each tax year, PSG will issue an IT3(b) certificate to advise you of the total interest and total dividend earned during the tax year. These amounts should then be included on your annual tax return to be submitted to the Receiver of Revenue.

There is a primary rebate in place for "natural persons", which is increased for tax payers over the age of 65. Please refer to SARS for the latest primary rebates applicable. The balance of this income is taxed by the Receiver of Revenue at the investor's marginal rate of tax.

The second type of tax, Capital Gains Tax (CGT), is levied when investments are sold and a capital gain is made. Investors are obliged to pay CGT at their marginal rate on 25% of the total capital gain to SARS. Trusts and companies are obliged to pay CGT on 50% of the total capital gain to SARS.

An exclusion rate has been set for natural persons. Please refer to SARS for the latest exclusion rates applicable.

There are actually four different methods which can be used to calculate a base price. Unit Trusts are obliged to use the Weighted Average Base cost method.

CGT legislation enables investors to decide when they wish to become liable for CGT, allowing them to defer and plan their investments appropriately. Furthermore losses can be offset against gains. Calculations for gains and losses that are made in the tax year are added together to determine an overall gain.

Q: Are there CGT implications when I switch between funds?

A: Yes, there are CGT implications when you switch between funds, as you will be disposing of units in the one fund and purchasing units in another fund.

Q: What is an IT3(b)?

A: Unit trusts earn interest and dividends. At the end of each tax year, we will issue an IT3(b) certificate to advise you of the total interest and total dividend earned during the tax year. These amounts should then be included on your tax return to be submitted to SARS.

Q: What is an IT3(c)?

A: An IT3(c) is a certificate that we will issue at the end of each tax year to indicate the capital gain or loss made on your investment that was sold / disposed of during the tax year. These amounts should be included on your tax return to be submitted to SARS. If you do not sell any of your units during the tax year, you will not receive an IT3(c) certificate.

Q: Find out about your financial adviser

A: Are they registered with the Financial Services Board (FSB)? All people who wish to offer financial advice need to register as a Financial Services Provider (FSP) with the FSB. They are obligated to display their FSP certificate in their reception area.

Q: IFA registration



A: An Intermediary Agreement must be completed and signed. It is available for download on our website. This form, together with the required supporting documentation can be faxed or e-mailed to our offices.

Q: What about VAT?

A: VAT is payable on all initial fees and is also levied against a client's investment. Vat is also payable on the annual management fees.