



# Key Information Document

PSG Wealth Endowment



# Key Information Document

## PSG Wealth Endowment

This document is a summary of key information about the PSG Wealth Endowment. It will help you to understand the product and make an informed decision. This is only a summary. It is not a legal and binding document, nor should it be considered as advice. Before deciding to invest in this product we suggest that you read the whole document together with the terms and conditions of the investment contract.

### About this product



#### What is the PSG Wealth Endowment?

The PSG Wealth Endowment is a type of investment product. It gives investors full access to their money after the restriction period of at least five years, or when the investor dies.

It can be used to reduce the tax payable on investment growth for investors who pay income tax of more than 30%. The PSG Wealth Endowment is issued by PSG Life Limited within the framework of the Long-term Insurance Act.



#### Who provides it to me?

The PSG Wealth Endowment is underwritten by PSG Life Ltd (FSP 22557) and administered by PSG Invest (Pty) Ltd (FSP 563). Both of these entities form part of PSG Wealth, the brand under which this product is marketed. If you invest in the PSG Wealth Endowment, your investment contract will be with PSG Life Ltd.

### Key features of the PSG Wealth Endowment



#### Who is this product most suitable for?

- Investors who pay income tax at a marginal rate of more than 30% per year.
- Investors who want to structure their estate in a more tax-efficient manner.
- Investors looking for a product which requires a disciplined approach to saving.



#### Who is this product less suitable for?

- Investors who want to invest for the short-term (less than five years).



# Key Information Document

## PSG Wealth Endowment



### Contributions

- You can make a once-off investment of at least R20 000.
- You can make regular debit order investments of at least R500 monthly, R1 500 quarterly, R3 000 half-yearly or R6 000 yearly.
- You can also make a once-off investment and add a debit order investment to it.
- You can add to your investment or increase your debit order amount as-and-when you want to. There are no restrictions on contributions to your endowment in the first year. From year two of your investment onwards, if your annual contribution exceeds 120% of the larger of the previous two years' contributions, a new five-year period will start.

### The 120% rule

#### An example of the '120% rule'

- Year 1 – annual contributions total R200 000.
- Year 2 – annual contributions total R100 000.
- Year 3 –  $R200\ 000 \times 120\% = R240\ 000$ .
- If the year three contribution is more than R240 000 a new five-year period starts.

### What will happen if I miss, stop or reduce debit order investments?

You can lower your debit order to the minimum allowed investment amount or stop your debit order completely if you need to. If you stop your debit order, you can restart it later. However, if you restart it, a new five-year restriction period will commence (as explained in the '120%' rule).

### Investment options

- You can invest in a range of investment options available on the PSG Wealth investment platform.
- You can switch between these underlying investment options. Switching may cause capital gains tax.



# Key Information Document

## PSG Wealth Endowment

### Tax

Tax is paid within the PSG Wealth Endowment at the following rates:



	Individuals or Trusts with only natural persons as beneficiaries	Companies or Trusts with a beneficiary that is not a natural person	Tax exempt entities such as a public benefit organisation
Income Tax	30%	28%	Exempt
Capital Gains Tax	12%	22.4%	Exempt
Dividend Withholding Tax	20%	Exempt	Exempt

When the investment pays out it is net of tax, as all taxes have already been paid.

### Access to your investment

- The PSG Wealth Endowment has an initial restriction period of five years. During this time, you can access your investment, but your access is limited. You can access your investment at any time after the end of the restriction period.
- During the initial restriction period, you can make one loan from your investment without being charged interest. You can also make one withdrawal without having to pay it back.
- The value of your loan or withdrawal cannot be more than the money you invested plus 5% compound growth per year.

### Can I use the product as security for a loan?

- You can use your PSG Wealth Endowment as security for a loan from a bank or other credit institution.
- You can also cede your PSG Wealth Endowment outright to a third party, and the third party will then become the owner of the investment.

### Can I transfer my PSG Wealth Endowment to another product provider?

- No.

### What happens if I die?

- Your beneficiaries can decide if they would like to be paid out or keep the endowment invested.
- If you did not choose beneficiaries, your investment will be paid to your estate. Executor's fees and estate duty might be charged on this money.



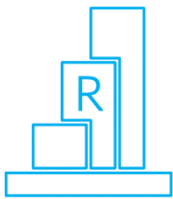
# Key Information Document

## PSG Wealth Endowment

### Cooling-off period

- You can cancel your investment in the first 31 days after you receive your investment confirmation from PSG Wealth. We will refund the amount you invested subject to market movement, less any fees you paid.
- If you transact during the cooling-off period, you can no longer cancel your investment.
- Cancellations during the cooling-off period are subject to a bank clearance period before funds can be paid back into your account. The clearance period is 45 days for once-off collections and recurring premiums and 21 days for electronic funds transfers (ETFs).

### Benefits



What type of benefits can I expect?

- The PSG Wealth Endowment helps you to save with discipline.
- An endowment may offer tax benefits to higher income taxpayers.
- Estate planning: Your investment will be paid directly to the people you choose as beneficiaries. They can be paid straight away instead of waiting for your estate to be wound up. They will not pay executor's fees on the money they receive. They can also choose to keep the money invested.
- PSG Wealth offers a broad selection of underlying investment instruments. This allows you to manage your investment according to your risk profile.

### Risks



Can I lose money?

- Yes. The value of your investment is linked to the market value of the underlying instruments chosen and is not guaranteed.
- It is important to ensure that you are comfortable with the level of investment risk your chosen investment instruments carry. If you are unsure of how to invest, a financial adviser can help you to make appropriate choices.
- You will not receive money from an underlying instrument that does not pay out.

When will benefits not be provided?

- Your PSG Wealth Endowment will not be protected against claims from creditors or from an ex-spouse if you get divorced.



# Key Information Document

## PSG Wealth Endowment

### Before you decide



Before you decide whether or not to buy this product, it is recommended that you consider the following:

1. Compare this product with other products that could also meet your financial needs. These could include:
  - Other types of products, available from PSG Wealth or other providers.
  - Other Endowments, available from other product providers.
2. A Key Information Document like this one has to be produced for all financial products to help you make these comparisons. Find Key Information Documents for other products that could suit your needs or ask your financial adviser to get these for you.
3. If you do not have a financial adviser, consider whether an authorised financial adviser could help you to make appropriate financial decisions. If you obtain advice, insist that your adviser gives you proof that he or she is qualified to advise you on this type of product. You should also get full details of the fees, commission or incentives your adviser will get if you buy this product with his or her assistance.

This document is only a high-level summary of the PSG Wealth Endowment. We encourage you to ask further questions. You should also read the detailed terms and conditions for the PSG Wealth Endowment, which you can request from us. You can get more information from your financial adviser or from PSG Wealth directly: email [clientservice@psg.co.za](mailto:clientservice@psg.co.za), call 0860 774 774 or visit [www.psg.co.za](http://www.psg.co.za).

PSG Wealth offers a range of unit trusts and multi-managed portfolios, each with different underlying instruments. Make sure you read their Minimum Disclosure Documents (MDDs) for important information on investment fees, risks and objectives. You can request the relevant MDDs from us.

Ask your financial adviser or one of our client service consultants to give you details on the overall impact of investment fees on your investment over time. Also ask for information on the past performance of the underlying instruments you want to include in your investment: email [clientservice@psg.co.za](mailto:clientservice@psg.co.za), call 0860 774 774 or visit [www.psg.co.za](http://www.psg.co.za) – but remember that past performance is not a guarantee of future performance.