

# Key Information Document

**PSG Wealth  
Scriptfin Loan Facility**



This document is a summary of key information about the PSG Wealth Scriptfin Loan Facility. It will help you understand the account and make an informed decision. This is a summary only. It is not a legal or binding document, nor should it be considered as advice. Before deciding to open an account, we suggest you read the whole document together with the terms and conditions.

## About this account



### What is a Scriptfin Loan Facility?

The PSG Wealth Scriptfin Loan Facility gives you simple access to a loan by using your local share portfolio as collateral. You can withdraw this amount as cash, or can reinvest it into any of your trading or investment accounts. This means that you can add to your portfolio without adding cash to your account. You also avoid the usual administrative requirements of applying for a loan from a bank.



### Who offers this account?

PSG Scriptfin is a wholly owned subsidiary of PSG Securities. PSG Securities is a member of the JSE and registered with the Financial Sector Conduct Authority (FSCA). PSG Securities forms part of PSG Wealth, the brand under which this account is marketed.

## Key features of the PSG Wealth Scriptfin Loan Facility



### Product rules



- This facility is only available to South African residents between the ages of 18 and 69.
- Applicants are subject to a credit check.
- To qualify for the facility, your portfolio must have at least R100 000 in Top 100 holdings according to FTSE/JSE Top 40 & Mid cap indices, which can be split among various instruments and cash.
- The borrower must qualify for a minimum initial loan amount of R25 000 based on the holdings in the share trading account.
- The only equity investments that will count towards this total are those that fall within the FTSE/JSE Top 40 & Mid cap indices.
- There is no stipulated repayment period.
- The maximum loan facility the Borrower may qualify for will depend on how well the share portfolio of the Borrower is diversified at the time application is made for the loan facility:

Share portfolio diversification	Loan value
Portfolio consisting of FTSE/JSE Top 40 shares	Up to 30% credit available
Portfolio consisting of Top 41-100 shares (FTSE/JSE Midcap Index)	Up to 25% credit available
Portfolio consisting of non-Top 100 shares	No credit

- The loan value is calculated based on the value of the relevant shares at that point in time, i.e. the initiation value at the time when the Borrower applies for the loan facility. The loan value is a variable amount as the share portfolio used as collateral by the Borrower can increase or decrease in value at any time due to market movement, client trade activity and withdrawals.



- The loan to value ratios for the Top 40 and Top 100 are set out in the table above. However, should you have a specific Top 100 (FTSE/JSE Top 40 & Midcap Indices) share that makes up 25% or more of your holdings, your loan amount will be reduced further in order to reduce concentration risk.

## Tax



### Tax considerations

- This facility is perfect for clients who do not want to trigger capital gains tax by selling shares in their portfolio in order to access funds
- For any tax considerations, please consult your financial adviser or tax consultant.

## Access to your facility

- You can view your Scriptfin Loan Facility online anytime by logging onto our secure website.
- You can buy shares during JSE trading hours utilising your Scriptfin Facility.
- Cash can be withdrawn from the facility by raising a withdrawal instruction online or by sending a request to [FinanceSec@psg.co.za](mailto:FinanceSec@psg.co.za).
- Depending on your bank, the transfer can take two days.

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

No, this is a loan.

### Is it protected against my creditors?

No.

### Can I transfer my PSG Scriptfin Loan Facility to another stockbroker?

No.

### What happens if I die?

Your Scriptfin Loan Facility would have to be repaid before your portfolio is allocated to your estate.

## Benefits



### What type of benefits can I expect?

- Quick access to funds without having to go through the administrative requirements of applying for a loan from a bank
- You can view/manage your loan facility anytime by logging onto our secure website.
- No need to sell shares and trigger capital gains tax in order to access funds
- Dividends received on your portfolio will automatically repay your loan
- Competitive interest rate
- It can be used for bridging finance
- There is no fixed repayment period



## Risks



### Can I lose money?

You will be liable for covering margin requirements if the value of your holdings falls below the required amount. You will have the opportunity to fulfil the margin call. If you fail to do so, PSG Scriptfin will sell shares in your portfolio to the value of the margin requirement, starting with those that offer the highest liquidity. Margin calls take place at 12h00 on all trading days.

## Fees



### What fees will be deducted and what are they for?

Interest will be charged to your equity account monthly, at the prime lending rate.

## Before you decide



Before you decide whether or not to activate the facility, it is recommended that you consider the following:

- Do I really need the money?
  - Rather than paying interest to get what I want now, should I postpone the purchase and save the money to buy it outright?
1. 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.
  2. 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 invest in this product with his or her assistance.

This document is only a high-level summary of the PSG Scriptfin Loan Facility. We encourage you to ask further questions. You should also read the detailed terms and conditions for the PSG Scriptfin Loan Facility, 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).