

# GENERAL TERMS, CONDITIONS AND DECLARATIONS for the PPS Investments product suite



INVESTMENTS

PROFESSIONAL PROVIDENT SOCIETY INVESTMENTS PROPRIETARY LIMITED ("PPS INVESTMENTS")  
CLIENT SERVICE CENTRE CONTACT DETAILS

TEL: 0860 468 777 (0860 INV PPS)  
EMAIL: admin@ppsinvestments.co.za

FAX: 021 680 3680  
WEBSITE: www.ppsinvestments.co.za

- Financial Intelligence Centre Act ("FICA") requirements are available on the PPS Investments website
- Please note, "Investment Option(s)" refer to the relevant underlying unit trusts within your portfolio

The PPS and OPN products form part of the comprehensive PPS Investments product suite. The products, which I have selected, are issued by the following Product Providers / Suppliers:

OPN Endowment Plan / Living Annuity	Coronation Life Assurance Company Limited ("Coronation Life") under the provisions of the Long-term Insurance Act, No. 52 of 1998
PPS Endowment Plan / Living Annuity	Professional Provident Society Insurance Company Limited ("PPS Insurance") under the provisions of the Long-term Insurance Act, No. 52 of 1998
Vested PPS Profit-Share Account	Professional Provident Society Insurance Company Limited ("PPS Insurance") under the provisions of the Long-term Insurance Act, No. 52 of 1998
PPS and OPN Investment Accounts PPS and OPN Tax Free Investment Accounts	Professional Provident Society Investments Administrators Proprietary Limited ( PPS Investments Administrators) is a licensed financial services provider. Licence no. 45924
PPS Retirement Annuity* PPS Person Pension* PPS Preservation Plans* OPN Personal Pension* OPN Preservation Plans*	Professional Provident Society Retirement Annuity Fund PPS Personal Pension Retirement Annuity Fund PPS Preservation Pension Fund / PPS Preservation Provident Fund A section of the Coronation Retirement Annuity Fund A section of the Coronation Preservation Pension Fund / Coronation Preservation Provident Fund The Funds are approved in terms of the Pension Funds Act, No 56 of 1956

\* These funds are governed by independent Boards of Trustees who may elect to change the rules of the relevant Funds should they deem it necessary.

PPS Investment Administrators is the current Administrator for the PPS and OPN Investment Account and for the PPS and OPN Tax Free Investment Account.

PPS Investments is the current Administrator for the PPS Endowment, PPS Living Annuity and Vested PPS Profit-Share Account.

Intembeko Investment Administrators (Pty) Ltd is the current Administrator for the OPN Endowment and OPN Living Annuity.

Intembeko Investment Administrators (Pty) Ltd for the PPS and OPN Personal Pension, PPS Retirement Annuity and the PPS and OPN Preservation Pension and Provident Funds / Plans. Note that the Administrator is appointed by the respective Boards of Trustees and may change from time to time.

## 1 INVESTMENT OPTIONS

- The PPS and OPN products allow investors the opportunity to invest in a wide range of unit trusts ("Investment Option(s)"). I understand that this does not imply any endorsement by PPS Investments and that I retain the risk of and remain responsible for the selection between the various relevant Investment Option(s) at all times.
- I understand that the investments in the selected Investment Option(s) are made and will be administrated subject to the provisions of the Collective Investment Schemes Control Act, No. 45 of 2002 ("CISCA"), in accordance with the deeds of such Collective Investment Schemes and subject to each management company's fee structure as amended from time to time.
- I hereby authorise the various Product Providers / Suppliers to invest the net investment amount into the relevant Investment Option(s) chosen by me from time to time. They shall reinvest all income arising from the Investment Option(s) from time to time, which shall be regarded as forming part of my selected products.
- I understand that PPS Investments currently offers two ranges of Investment Option(s) namely the "Original" (available **prior to 1 October 2014**) and the "Select" (available **post to 1 October 2014**) range, each with applicable fees. Existing investors in the Original range can continue to access the Investment Option(s) listed in the Original range Investment Option Schedule, which is available on the PPS Investments Secure Site Services website. This range is however closed to all new investments. New investments will only be able to invest in the Select range and the Investment Option(s) are set out in the Select range Investment Option Schedule available on www.ppsinvestments.co.za. Please note you will not be allowed to combine Investment Option(s) from the Select and the Original range.
- I understand that the Original range can be switched to the Select range and should I choose to do this, I will not be allowed to revert back to the Original range.
- I understand that I may switch between available Investment Option(s), subject to the Product Provider / Supplier's requirements and such conditions as any Manager of the relevant Investment Option(s) may apply. To switch between available Investment Option(s), I am required to give PPS Investments (the Product Provider / Supplier) written notice by completing a Switch Form available on PPS Investments Secure Online Services at www.ppsisecure.co.za. I understand that a switch instruction comprises of a switch from one Investment Option to another Investment Option or a rebalance of my Investment Option(s).
- Neither PPS Investments nor the Product Providers / Suppliers provide any guarantees in relation to any investment performance. The value of the investment portfolio will fluctuate relative to the market values of the underlying securities comprising the selected investment portfolio. Investment Option(s) are generally medium to long-term investments. The value of the units may go down as well as up and past performance is not necessarily a guide to future performance.
- I understand that all investments held under the PPS and OPN products that form part of the PPS Investments product suite are owned by Product Providers / Suppliers and that I have no right to specific investments held under the PPS and OPN products that form part of the PPS Investments product suite.
- PPS Investments is entitled to change, at their discretion and with appropriate notice, any of the relevant Investment Option(s) offered from time to time. I will be asked for switch instructions should an Investment Option be removed from the PPS Investments offering. In the absence of any instruction within the required time period, PPS Investments will affect a switch to a similar fund, where available.



## 2 FEES AND CHARGES

- 2.1 For the payment of all fees, the Administrator will, where applicable, disinvest proportionately from each Investment Option or a specific Investment Option as per your instruction on the completed application or transaction form.
- 2.2 Initial fees and the annual asset management fees on the underlying Investment Option(s) selected will be charged by each management company as indicated on the relevant Investment Option Schedule available on the PPS Investments website.
- 2.3 **Original range** - If your investment was made **prior to 1 October 2014**, or in the event of a transfer and your application form was signed prior to 1 October 2014, your portfolio will comprise of Investment Option(s) from the Original range.

PPS Investments does not charge any initial administration fees. A maximum annual administrative fee of 0.70% per annum (excluding VAT) depending on the product invested in, calculated on the daily market value of the investment portfolio, will be charged and paid monthly in arrears. This fee will be charged at the level of your Investment Option(s) and will be reduced by the sliding scale or any partnership savings (rebates) that may be applicable to your selected Investment Option(s). Please refer to the Original fund range's Investment Option Schedule available on the PPS Investments Secure Online Services website in order to determine the administration fee payable.

Investment amount	Sliding scale (excl. VAT)
On the first R 500,000	0.70%
On the next R 1,000,000	0.50%
On the next R 1,000,000	0.45%
Thereafter	0.40%

Please note: Investments in the PPS Enhanced Yield Fund and Coronation Money Market Fund are excluded from the investment amount when applying the sliding scale.

- 2.4 **Select range** - If your investment was made **post 1 October 2014**, or in the event of a transfer your application form was signed post October 2014, your portfolio will comprise of Investment Option(s) from the Select range.

PPS Investments does not charge any initial administration fees. A maximum annual administrative fee of 0.50% per annum (excluding VAT) depending on the product invested in, calculated on the daily market value of the investment portfolio, will be charged and paid monthly in arrears. This fee will be charged at the level of your Investment Option(s) and will be reduced by the sliding scale. Please refer to the Select fund range's Investment Option Schedule available on the PPS Investments website in order to determine the administration fee payable.

Investment amount	Sliding scale (excl. VAT)
On the first R 1,500,000	0.50%
Thereafter	0.20%

Please note: Investments in the PPS Enhanced Yield Fund and Allan Gray Money Market Fund are excluded from the investment amount when applying the sliding scale.

- 2.5 Financial advice fees may be payable and, if so would be included in the overall costs. The quarterly statement will indicate the actual applicable fees under the investment for the relevant period.
- 2.6 It is the responsibility of the financial adviser to make sure that the investor is fully informed of all fees payable by the investor. As a "No Financial Adviser" investor the responsibility lies with the investor to make sure all fees payable are understood.
- 2.7 All fees and charges are subject to amendment by PPS Investments and the Product Providers / Suppliers and each Management Company as the case may be. Initial and ongoing financial adviser fees will not be levied unless instructed in writing by the investor.
- 2.8 There are no transaction charges for switching between the available Investment Option(s).

## 3 GENERAL TERMS, DECLARATIONS AND WARRANTIES

- 3.1 The investor is entitled to any information that the law requires a Collective Investment Scheme to disclose. PPS Investments is obliged to obtain and transmit such information if the investor requests it.
- 3.2 Investments into the underlying Investment Option(s) will take a maximum of **five (5) business days** to be processed, providing PPS Investments or the Product Provider / Supplier is in receipt of a valid instruction, together with the proof of deposit and relevant supporting documentation. Debit orders will take a maximum of **six (6) business days** to be processed after receipt of the contribution amount. Switches will be processed and finalised within a maximum of **five (5) business days** after receipt of a valid instruction and within a valid processing period. Withdrawal instructions will take a maximum of **seven (7) business days** to be processed on receipt of a valid instruction within a valid processing period. The aforementioned is subject to PPS Investments' and the Product Provider / Supplier's requirements having been complied with. Certain switches and withdrawals cannot be processed during the period where annuity income or regular withdrawal payments are being processed, this is to ensure those payments can be made, please contact us to confirm timings.
- 3.3 Where applicable, interest on once-off lump sum contributions may be applied from one day after the contribution has been paid into the relevant product's bank account, until transferred from that account. In the case of the PPS and OPN retirement funds that form part of the comprehensive PPS Investments product suite, any interest earned may be used to pay the expenses of the relevant Fund and expenses incidental to the administration and management of the relevant Fund. Not all expenses (e.g. FSCA levies, auditor, valuator, Trustees and Principal Officer fees) are currently recovered from members' investment portfolios and may also be paid by the sponsor of the relevant Fund directly.
- 3.4 PPS Investments or the Product Provider / Supplier or the Trustees of the relevant Fund shall be entitled to recover and process the following transactions (where applicable) from and into the investment portfolio:
  - The earnings on the underlying investment(s), which will be credited to your investment portfolio once they have been paid;
  - all fees charged to and by the Product Provider / Supplier (e.g. financial advice fees and administration fees);
  - all relevant statutory charges charged to the Product Provider / Supplier, whether in place at commencement date of the investment or amended or introduced subsequently (e.g. income tax, capital gains tax); and
  - all other transactions processed.

- 3.5 Confirmation of my transaction will be sent to me once my investment has been processed. Statements will be sent to me at regular intervals, not exceeding three (3) months apart. Copies of statements are available to investors on request from the PPS Investments Client Service Centre on 0860 468 777 (0860 INV PPS). Alternatively, I may register to view them on PPS Investments' Secure Online Services, accessible from PPS Investments' website, [www.ppsinvestments.co.za](http://www.ppsinvestments.co.za). As a PPS Retirement Annuity investor, please call the PPS Retirement Annuity Client Service Centre on 0861 777 723 (0861 PPS RAF). Alternatively, I may register to view my statements on PPS Investments' Secure Online Services, accessible from the PPS Retirement Annuity website, [www.ppsra.co.za](http://www.ppsra.co.za). In case of a joint registration, statements will only be sent to the principal investor.
- 3.6 Instructions will at all times only be processed once the investment amount reflects in the Product Provider / Supplier's bank account, and proof of deposit and supporting documentation has been received by PPS Investments and the Product Provider / Supplier.
- 3.7 Where I appoint an financial adviser, I instruct PPS Investments to send my Investment Confirmation document to my financial adviser whose name has been inserted in the "Financial Adviser Details" section of the application form. I authorise PPS Investments and / or the Product Providers / Suppliers to make all reports and statements pertaining to my investment available, in whatever format, to my appointed financial adviser, on his / her request.
- 3.8 I hereby consent to PPS Investments and / or the Product Provider / Supplier making enquiries of whatsoever nature for the purpose of verifying the information disclosed in the application form and I expressly consent to PPS Investments and / or the Product Provider / Supplier obtaining any other information concerning me from any source whatsoever to enable PPS Investments and / or the Product Provider / Supplier to process this application.
- 3.9 I authorise PPS Investments and / or the Product Provider / Supplier to accept my instruction by facsimile or email and hereby waive any claim that I may have against PPS Investments and / or the Product Provider / Supplier and indemnify PPS Investments and / or the Product Provider / Supplier against any loss incurred as a result of PPS Investments and / or the Product Provider / Supplier receiving and / or acting upon such communication. I accept the risk of the communication method selected and understand that PPS Investments and / or the Product Provider / Supplier shall not be liable in the event that PPS Investments and / or the Product Provider / Supplier does not receive a communication whether due to the failure, malfunction or delay of any networks or electronic or mechanical device or otherwise.
- 3.10 Provided that PPS Investments and / or the Product Provider / Supplier and / or any of their officers and employees exercise reasonable care and diligence in the management of my PPS and OPN products that form part of the comprehensive PPS Investments product suite, the Administrator and / or the Product Provider / Supplier and / or their officers and employees shall not be liable to me or a third party for any loss sustained by me in terms of my PPS and OPN products that form part of the comprehensive PPS Investments product suite. Specifically, the Administrator, PPS Investments and / or the Product Provider / Supplier cannot be held responsible for any acts or errors of commission or omission by third parties, or the timing standards, practices or procedures of third parties.
- 3.11 I authorise PPS Investments and its assignees to disclose any information within PPS Investments and / or the Product Provider / Supplier's holding companies, subsidiaries, affiliates, Profmed or other persons, provided that such disclosure is deemed necessary in order to properly manage or service the investment or investor.
- 3.12 I warrant that all the statements given in the application form and in all documents which have been or will be signed by me in connection with the application, whether in my handwriting or not, are true and correct and shall form the basis of the investment with PPS Investments and/or the Product Provider / Supplier.
- 3.13 I warrant that I am the beneficial owner of the investment amount, that I am duly and validly authorised to invest the investment amount with PPS Investments and / or the Product Provider / Supplier and that all monies deposited into the applicable Product Provider / Supplier's bank account in respect of my PPS and OPN products that form part of the comprehensive PPS Investments product suite were obtained from legitimate sources. I further warrant that in making and maintaining such investment, I have and will continue to comply with all relevant legislation, including, but not limited to, FICA, the Income Tax Act and Foreign Account Tax Compliance Act ("FATCA").
- 3.14 Secondary Tax on Companies ("STC") was replaced by a Dividend Withholding Tax ("DWT"), is levied at a rate of 20% (twenty percent), as amended from time to time by legislation, and is based on dividends declared and paid by companies. DWT will be withheld from the dividend payment and paid to the South African Revenue Service ("SARS") on behalf of the investor. Exempt entities are local companies; any of the three tiers of government; approved public benefit organisations (section 30(3) of the Income Tax Act, No.58 of 1962), (hereafter referred to as "the Act"); mining rehabilitation trusts (section 37A of the Act); persons referred to in section 10(1)(cA) of the Act; pension, provident, preservation, retirement annuity, beneficiary and benefit funds (section 10(1)(d) of the Act); persons referred to in section 10(1)(t) of the Act (CSIR, SANRAL etc); and shareholders in registered micro businesses (per the 6th Schedule of the Act). Investors who qualify for an exemption or reduced rate will need to complete the "Dividend Withholding Tax Declaration and Undertaking for Exemption" or the "Dividend Withholding Tax Reduced Tax Rate" form available on [www.ppsinvestments.co.za](http://www.ppsinvestments.co.za). Individual investors invested in the PPS or OPN Endowment Plan and / or the Vested PPS Profit-Share Account do not qualify for exemption from or reduction in DWT.
- 3.15 I confirm that I am duly authorised to conclude this transaction on behalf of the investor.
- 3.16 I acknowledge that, in the event of the investor not being in existence, I will be personally bound in respect of this transaction.
- 3.17 I confirm to PPS Investments and / or the Product Provider / Supplier that I am acting on my own account and that this investment is my own independent decision. I understand that information, opinions and any communication from PPS Investments and / or the Product Provider / Supplier, whether written, oral or implied are expressed in good faith and not intended as investment advice. I have not received any assurance or guarantees from PPS Investments and / or the Product Provider / Supplier as to the expected benefits, except that the benefits will be determined by reference to the value of the selected Investment Option(s).
- 3.18 Where I have appointed an financial adviser, I understand that it is the responsibility of such financial adviser to act within the conditions of the relevant FSP licence. Neither PPS Investments nor the Administrator nor the Product Provider / Supplier can be held responsible or liable for loss or damage suffered by me, resulting from the financial adviser acting outside the licence conditions. The financial adviser is responsible for ensuring that I receive and understand an appropriate needs analysis, advice, product and fee information, including changes in administrative processes of the Administrator.
- 3.19 PPS Investments and / or the Product Provider / Supplier may amend the terms and conditions of my products that form part of the comprehensive PPS Investments product suite after giving appropriate and reasonable notice of the proposed changes, provided that any such changes may not adversely affect any associated right or benefit that I may have accrued.
- 3.20 In the event that the policyholder becomes entitled to payment of any benefits in terms of the PPS Provider Policy PPS Investments will attempt to contact the policyholder in order to obtain instructions in respect of the bank account into which the benefits should be paid, should the bank account details not have been provided. In the event that PPS Investments, despite its reasonable efforts to contact the policyholder, is unsuccessful in obtaining instructions from the policyholder as aforesaid the unclaimed Profit-Share Account benefits will be paid into the bank account from which the premiums in respect of the relevant benefits were being paid at the time that the benefits first became due to the policyholder (the premium paying account), complying with a shortened version of the prescribed tracing process by the Association for Savings and Investment SA ("ASISA"). All other unclaimed benefits will not be paid out until, PPS Investments received clear instructions on payment from the policyholder or beneficiaries.

- 3.21 It is the policyholder's responsibility to ensure that his personal and contact particulars, as reflected on the latest Policy Certificate issued by PPS Investments, is correct. If this is not the case, or in the event that the policyholder's personal and / or contact particulars change, it is the policyholder's responsibility to inform PPS Investments in writing of the incorrect particulars or the change in particulars, as the case may be. PPS Investments will not accept any responsibility for any loss, damages or inconvenience suffered by the policyholder, howsoever caused, as a direct or indirect result of incorrect personal and / or contact particulars.
- 3.22 In the event that PPS Investments is unsuccessful in its efforts to pay any benefits due to the policyholder into the premium paying account for whatever reason such benefits will become unclaimed benefits and will be dealt with in accordance with the published standard on unclaimed assets by ASISA. This process will involve, amongst other things, the following:
- PPS Investments will attempt to contact the policyholder in order to advise him of the available benefits;
  - in the event that PPS Investments is unsuccessful in its initial efforts to contact the policyholder PPS Insurance will use reasonable efforts to determine the last known contact information and address of the policyholder by utilising the PPS Insurance internal database. Where appropriate PPS Investments will also use reasonable efforts to compare the policyholder's contact information as it appears on the PPS Insurance database with information on an external database or databases;
  - in the event that PPS Investments is still unsuccessful in its efforts to contact the policyholder an external tracing company will be employed to trace the policyholder;
  - any direct administrative, tracing and management costs Incurred by PPS Investments after a period of 6 months from the date on which the benefits first became due to the policyholder will be charged against the remaining value of the unclaimed benefits. These costs may change from time to time and will be published in the annual correspondence that PPS Investments sends to all of its policyholders every year;
  - PPS Investments will cease all attempts to trace the policyholder in the event that the remaining value of the unclaimed benefits is less than the minimum value prescribed by ASISA from time to time (R 1000,00 as at 1 June 2013) and the costs of tracing exceed the benefits of tracing.

## 4 CONSIDERATION AND ADJUDICATION OF A COMPLAINT

### Compliance department

PPS Investments Proprietary Limited  
PPS House  
Boundary Terraces  
1 Mariendahl Lane  
Newlands  
7700

Tel: 0860 468 777 (0860 INV PPS)  
Fax: 021 680 3680  
Website: [www.ppsinvestments.co.za](http://www.ppsinvestments.co.za)  
Email: [compliance@ppsinvestments.co.za](mailto:compliance@ppsinvestments.co.za)

If you are not satisfied with the response from PPS Investments or the Administrator or if you have a complaint about the advice given by your financial adviser, you have the right to address your complaint in writing to the Ombud for Financial Services Providers:

The Ombud for Financial Services  
Sussex Office Park  
Ground Floor, Block B  
473 Lynnwood Road Cnr Lynnwood Road & Sussex Ave,  
Lynnwood,  
0081

PO Box 74571  
Lynwood Ridge  
0040

Telephone: +27 12 762 5000 / +27 12 470 9080  
Facsimile: +27 86 764 1422 / +27 12 348 3447  
E-mail Address: [info@faisombud.co.za](mailto:info@faisombud.co.za)  
Website: [www.faisombud.co.za](http://www.faisombud.co.za)

If you are not satisfied with the response from PPS Investments and are invested in the PPS / OPN Personal Pension, PPS Retirement Annuity, PPS Preservation Funds or OPN Preservation Plans, you have the right to address your complaint in writing to the Pension Fund Adjudicator:

The Pension Fund Adjudicator  
PO Box 580  
Menlyn  
0063  
Email: [enquiries@pfa.org.za](mailto:enquiries@pfa.org.za)

The Adjudicator is legally empowered to investigate and adjudicate complaints in a procedurally fair, economical and expeditious manner.

If you are not satisfied with the response from PPS Investments and are invested in the PPS / OPN Endowment Plan, PPS / OPN Living Annuity or the Vested PPS Profit-Share Account, you have the right to address your complaint in writing to the Long-term Insurance Ombud:

The Long-term Insurance Ombud  
Private Bag 45  
Claremont  
7735

Telephone: (021) 657 5000  
Sharecall: 0860 103 236  
Fax: (021) 674 0951

The Ombud is legally empowered to investigate and adjudicate complaints in a procedurally fair, economical and expeditious manner.

PPS Investments (Pty) Ltd, PPS Multi-Managers (Pty) Ltd and PPS Investment Administrators are licensed financial services providers. Coronation Life Assurance Company Limited is registered in terms of the Long Term Insurance Act 53 of 1998 to carry on Long term insurance business. PPS Management Company (Pty) Ltd (RF) is a licensed collective investment scheme manager. PPS Nominees (Pty) Ltd is an independent nominee company approved by the Financial Sector Conduct Authority.

PPS House, Boundary Terraces, 1 Mariendahl Lane, Newlands, 7700  
Website: [www.ppsinvestments.co.za](http://www.ppsinvestments.co.za) Email: [clientservices@ppsinvestments.co.za](mailto:clientservices@ppsinvestments.co.za)

