



INVESTMENTS

# Financial Adviser Guide

August 2019



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# 1. INTRODUCTION TO PPS INVESTMENTS

PPS Investments, a wholly-owned subsidiary of the Professional Provident Society of South Africa (PPS), was launched in 2007 and today has assets under management totaling in excess of R31bn.

## Why choose PPS Investments?

As the preferred wealth management services provider of choice for graduate professionals, we offer a suite of transparent and flexible investment solutions geared towards the creation and management of long-term wealth supported by an experienced team driven by passion, accountability and integrity.

We offer:

### A COMPREHENSIVE RANGE OF INVESTMENT PRODUCTS

Our investment products are tailored to offer simple yet sophisticated solutions to your clients' investment needs throughout all life stages.

### PREMIUM UNIT TRUSTS AS UNDERLYING INVESTMENT OPTIONS

Your clients can choose from the unit trusts offered by PPS Multi-Managers and other quality asset managers when selecting the underlying investments for their products.

### A SIMPLER SELECTION PROCESS

The asset managers and unit trusts included on our investment platform have been appointed following a very strict selection process. When investing in one of these unit trusts your clients have the assurance of knowing that most of their research has already been done for them.

PPS Multi-Managers has further constructed risk profiled multi-managed unit trusts, assisting you in structuring investment portfolios that serve a range of needs.

### TRANSPARENT AND COMPETITIVE FEES

We know it's important for your clients to understand how much they're paying for their investments, and exactly what they're paying for. Our highly competitive fee structure is fully disclosed and easily accessible.

### PROFESSIONAL INVESTMENTS FOR ALL

Everyone can benefit from the expertise offered by PPS Investments even if they are not a PPS member.

Our range has become increasingly popular not only among investors who are not eligible for PPS membership but also among PPS members themselves, as they seek to provide their families with access to investments of the same standard and quality that they are able to enjoy.

## About PPS

PPS was founded in 1941 with the single purpose of protecting the skills and proficiencies of graduate professionals. Established by a group of eight dentists who recognised that a working professional's most valuable asset was their own expertise, PPS still seeks to protect these professionals from being unable to practice their chosen vocation due to sickness or injury today.

PPS branched out into the PPS Group and launched PPS Insurance in 2001. Having further launched PPS Investments in 2007, PPS ensured that it could look after the health, wealth and security of its members through a range of financial services specifically designed for professionals.

Backed by over 78 years of experience, PPS boasts a strong governance structure and a continually growing membership base. It therefore provides a solid foundation as the holding company of PPS Investments, which has since been able to establish itself as a preferred investment provider in the professional market.

The company is led by a group of men and women who are driven by the desire to provide investors with a practical range of premium products. This highly experienced leadership team and the balance of our staff complement are committed to effective client service, reliable information systems and back office support.

## What makes PPS unique?

The PPS Profit-Share Account is a retirement benefit to PPS members in respect of the profits generated by the company. As a mutual company, PPS has no external shareholders and operates solely to add value to its members. Therefore, 100% of the profits generated by the company are shared exclusively among PPS members\* by means of the PPS Profit-Share Account.

Members receive profit allocations to their PPS Profit-Share Account based on the insurance policies held with PPS Insurance as well as the value of retail investments with PPS Investments. Members' profit allocations will be made regardless of their claim history or status. In addition, they will also share in the returns these profits have generated through being distributed to the PPS Profit-Share Account.

Profit allocations are distributed to the PPS Profit-Share Account and invested on behalf of the members before becoming accessible at retirement via the Vested PPS Profit-Share Account. This offers members a unique advantage of supplementing existing retirement savings whilst having the opportunity to continue sharing in the profit allocations from PPS Investments.

\*As part of a PPS Provider™ policy

## How does the PPS Profit-Share Account work?

There are three phases to a member's PPS Profit-Share Account:

### Accumulation Phase Before age 55

During this phase, all the profit allocations are invested in the Pooled PPS Profit-Share Account Portfolio (High Equity) by default, which targets a return of 5.3% above inflation over rolling 5-year periods.

This strategy aims to achieve maximum levels of capital growth over the long term. The mandate of the portfolio is to hold 50% or more of its assets in equities.

Typically, it holds around 70% in equities and is therefore emphatically weighted towards capital growth assets.

**PHASE 01:**  
Accumulation

### Pre-retirement Phase Age 55 to retirement

From the age of 55, your client can take control of the investment strategy of their PPS Profit-Share Account by choosing how their accumulated profits are invested through the PPS Profit-Share Account Portfolio Choice. This allows them to align the investment strategy of their PPS Profit-Share Account to their other retirement assets.

Your client will be allowed to exercise their portfolio choice annually on their PPS Profit-Share Account until they reach retirement.

**PHASE 02:**  
Pre-retirement

### At retirement Phase From age 66

After the age of 60, your client's PPS Profit-Share Account vests when they cancel all their qualifying PPS Provider products.

If they don't have or if they cancel the PPS Sickness and Permanent Incapacity Benefit from the age of 60, they can continue with the rest of their qualifying PPS Provider products and earn profit share as well as opt to vest at any time.

When they choose to vest, the accumulated amount in their Profit-Share Account is transferred to a Vested PPS Profit-Share Account. Your PPS Profit-Share Account remains active, but the balance will reflect as zero. They will continue to receive profit share allocations into your PPS Profit-Share Account for any qualifying PPS Provider products that remain active. In addition, any profit share allocations earned on their investments at PPS Investments will be paid into their Vested PPS Profit-Share Account.

If they retain their PPS Sickness and Permanent Incapacity Benefit, they can vest at any time after the age of 66.

**PHASE 03:**  
At retirement

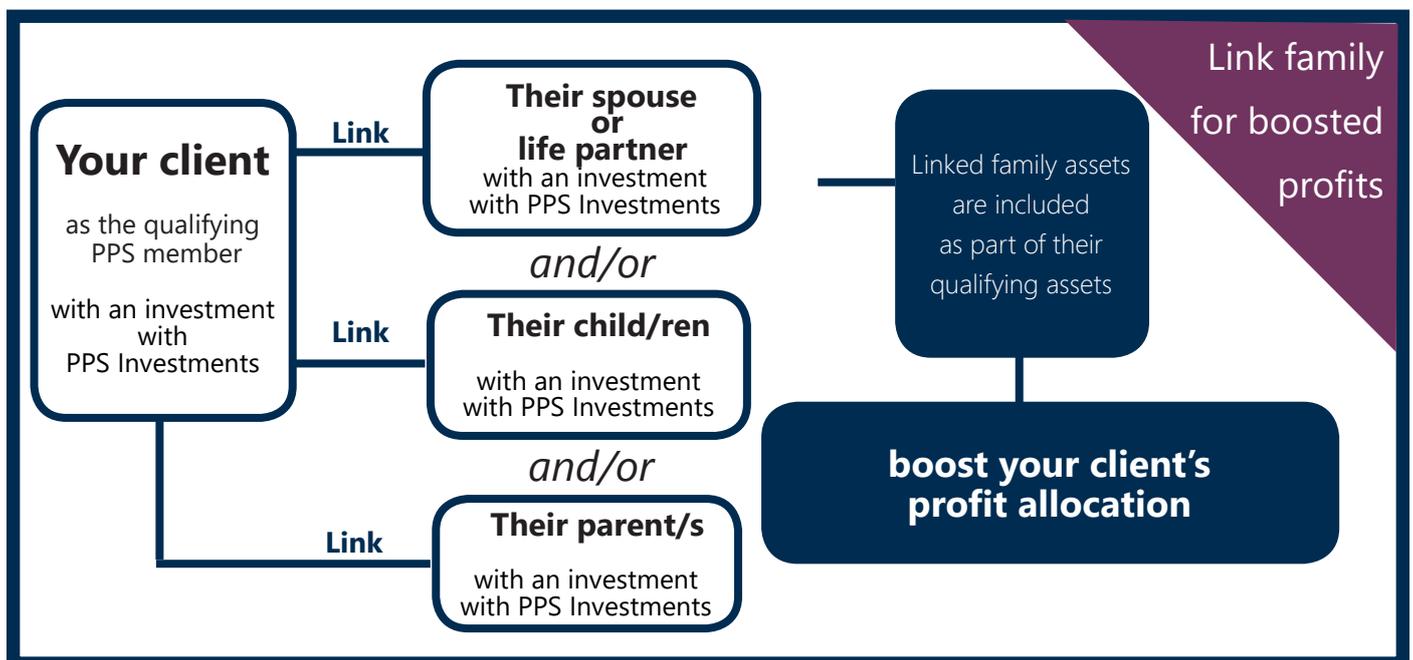
# Maximising your client's PPS Profit-Share Account

## THE MORE YOUR CLIENT INVESTS, THE MORE PROFIT IS ALLOCATED

If your client is a PPS member with an active PPS Profit-Share Account or Vested PPS Profit-Share Account, they may boost their profit-share allocation by investing with us. They're eligible to earn profits in two ways – on the investment solution, and by choosing the PPS funds as the underlying investment. In addition, profit allocations will be based on the size of their total investment - so the more they invest, the more profits are allocated.

## LINKING FAMILY TO EARN EVEN MORE PROFIT-SHARE

By linking family (spouse, life partner, children and/or their parents) who are not PPS members to their membership number, they could earn additional profit share based on the qualifying assets (both product and fund-based profit-share allocations) of any family members that have been linked to their membership number. This includes our OPN range, which offers investment solutions to those who do not qualify as PPS members.



## PROFIT ALLOCATION IS UNIQUE TO EACH MEMBER

It's important to note that the profit allocation will be unique for each member based on the size of investments, rate of contributions, length of investment during the financial year, withdrawals, fund range switches, allocations to PPS funds, Vesting of PPS Profit-Share Accounts plus linked assets of spouse, life partner, children and/or parents.

## 2. HOW DOES PPS INVESTMENTS SUPPORT ME?

### WITH PPS INVESTMENTS, YOU HAVE ACCESS TO:

For your convenience, we have included more information about the Secure Online Services portal and our guidance tool.

#### SECURE ONLINE SERVICES

PPS Investments has developed a secure online portal, allowing you and your clients access to their investment portfolios 24/7, 365 days a year.

It's also designed to make it easy for you to do business and offer your clients the support they need.

You can:

- Create new client proposals, automatically updated with client details on record.
- Automatically convert pre-populated quote to pre-populated application form.
- Create pre-populated transaction forms for existing clients.
- Submit client transactions for processing online.
- Track transactions and new instructions in real time.
- Provide clients with an automated, detailed investment review.
- Analyse your book.
- Your clients are able to accept or decline certain instructions with a click of a button, and a signature may not be required.

(Please note that there is a delay of two working days in the information published).

#### PPS HORIZON

PPS Group has launched PPS Horizon, which is a web-based tool designed for our financial advisers to create guided digital financial plans for clients quickly and efficiently.

PPS Horizon offers you the unique opportunity of including digital financial advice or servicing as part of your value proposition to clients, particularly those who are digitally engaged. The intelligent advisory tool takes a user's circumstances, appetite for risk and ambitions into consideration and calculates the likely future outcomes of a financial plan. You will be able to evaluate different scenarios to help clients make informed investment decisions instantaneously.

#### PPS CONNECT

This convenient app allows you to access important information at any time and any place.

You can:

- Access to your PPS product portfolio
- View your PPS Profit-Share Account balance and annual allocations
- Learn more about other PPS products and solutions
- Utilise the new PPS Invest Now feature which allows you to perform transactions on your investments
- Keep up to date with the latest investment information with In-App notifications

How to get connected

To access the App download the PPS Connect on your mobile device by visiting the App Store, or downloading it via Google Play. The username and password are the same as the ones you use on the PPS Investments Secure Online Services portal. If you do not have an account you can register at [www.pps.co.za/Login](http://www.pps.co.za/Login).

To transact on investments via the App you will need to register your phone, for security purposes. Go to [www.pps.co.za/Login](http://www.pps.co.za/Login) and log in to the PPS Investments' Secure Online Services portal. Once you've gained access, navigate to the Manage Devices menu on the left, select your device from the Devices Pending Approval list and click Approve or Remove.



### **MORE ABOUT OUR DEDICATED CLIENT SERVICE CENTRE**

Our dedicated client services teams are available between 08:00 and 17:00, Mondays to Fridays.

#### PPS Investments

Tel: 0860 468 777 (0860 INV PPS)

Fax: (021) 680 3680

For general queries email:

[clientservices@ppsinvestments.co.za](mailto:clientservices@ppsinvestments.co.za)

For administrative queries and submission of all new instructions email:

[admin@ppsinvestments.co.za](mailto:admin@ppsinvestments.co.za)

PPS Investments physical and postal address:

PPS House,  
Boundary Terraces  
1 Mariendahl Lane  
Newlands, 7700

P O Box 44507, Clareinch, 7735

## 3. WHAT SOLUTIONS CAN PPS INVESTMENTS OFFER MY CLIENTS?

We provide a comprehensive range of savings and investment products for:

### FOR INVESTORS ELIGIBLE FOR PPS MEMBERSHIP

Pre-retirement products	Post-retirement products
PPS Investment Account	
PPS Endowment Plan	
PPS Tax Free Investment Account	
PPS Retirement Annuity	PPS Living Annuity <i>Vested PPS Profit-Share Account*</i>
PPS Personal Pension	
PPS Preservation Funds	

\*Becomes accessible to qualifying PPS members upon retirement

### OPN SOLUTIONS FOR OTHER DISCERNING INVESTORS WHO DO NOT QUALIFY FOR PPS MEMBERSHIP

Pre-retirement products	Post-retirement products
OPN Investment Account	
OPN Endowment Plan	
OPN Tax Free Investment Account	
OPN Personal Pension	OPN Living Annuity
OPN Preservation Plans	

### COMPANIES WISHING TO OFFER RETIREMENT BENEFITS FOR THEIR EMPLOYEES

The PPS Corporate Personal Pension allows employers to offer each employee an individually tailored PPS or OPN Personal Pension, at no cost to the business and with minimal administration.

Pre-retirement products	Post-retirement products
PPS Corporate Personal Pension	PPS Living Annuity
	OPN Living Annuity

## 4. MORE ON OUR INVESTMENT OPTIONS

We provide solutions to help you save and invest. For consistent growth and carefully managed risk, PPS Investments offers multi-managed funds which combine the strengths of several reputable asset managers.

We offer two fund ranges: The Original range (for investments made before 1 October 2014 and now closed to new investments) and the Select range (for investments made after 1 October 2014).

### THE PPS FUNDS

1. We manage asset allocation strategies;
2. We determine which asset managers are best positioned to execute these strategies successfully; and
3. We seek out complementary manager combinations.

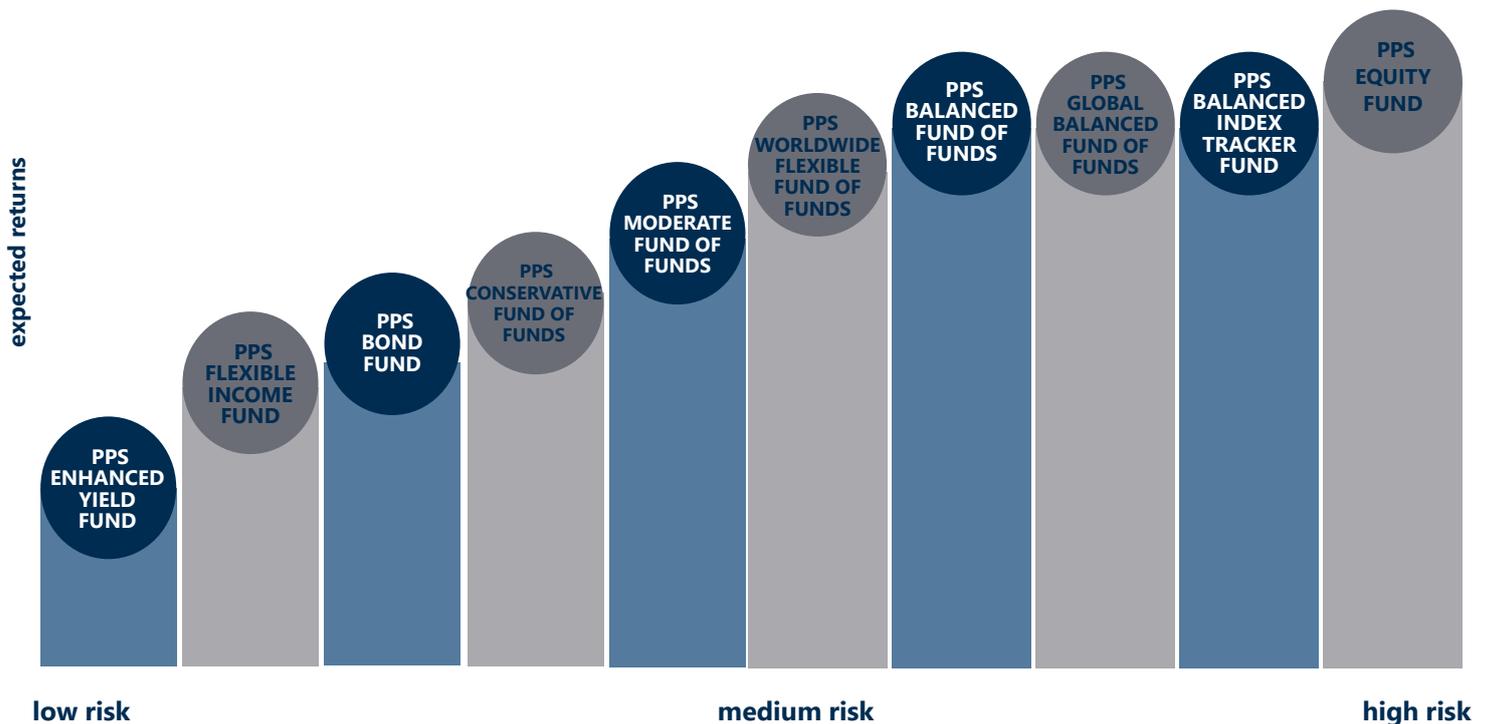
This means that when you choose a PPS Fund, your investment research has already been done.

By outsourcing these decisions to investment professionals, you are able to reduce the time spent on managing and rebalancing portfolios and are left with more time to focus on building client relationships.

The PPS Funds offers your clients:

- A diversified, actively managed investment;
- Access to a range of quality managers at attractive prices;
- More consistent returns, as we combine managers with complementary strengths;
- Lower investment risk, as we reduce our dependency on any single strategy;
- Alignment between the way we manage it and your client's objectives; and
- For qualifying PPS members, the opportunity for increased profit share: All profits attributable to the PPS Funds accrue to PPS members who have invested in them.

### THE PPS FUND RANGE



## PPS PARTNERSHIP FUNDS

We've expanded our fund range to offer clients a unique opportunity for added diversification through the PPS Partnership Asset Management Fund range.

We have partnered with boutique asset managers to offer a bespoke range of expertly managed funds across fund categories and risk profiles. Following in-depth research and a strict due diligence process, we firmly believe that these managers will add value to our Partnership Asset Management Funds through their proven investment philosophies, experience and expertise.

### OVERVIEW OF THE FUNDS

	<b>PPS DEFENSIVE FUND</b>	<b>PPS STABLE GROWTH FUND</b>	<b>PPS MANAGED FUND</b>
<b>Asset Manager</b>	Sasfin Asset Managers	Tantalum Capital	36ONE Asset Management
<b>Manager style</b>	Risk conscious manager with an explicit focus on capital preservation	Long-term, valuation based manager constructing funds with an absolute return mind-set	Bottom-up stock selection manager overlaid with top-down macro analysis
<b>Fund category</b>	ASISA SA MA Low Equity	ASISA SA MA Medium Equity	ASISA SA MA High Equity
<b>Benchmark</b>	Category Average	Category Average	CPI +5% over a rolling 5-year period
<b>Regulation 28 compliant</b>	Yes	Yes	Yes

For more information on the unit trusts available in our Original and Select ranges, please refer to the relevant Investment Option Schedule, available via your profile on PPS Investments' Secure Online Services at [www.ppsisecure.co.za](http://www.ppsisecure.co.za).

## DISCRETIONARY FUND MANDATE

In simple terms, a DFM is a specialist investment manager. They design and manage investment portfolios to meet specific investor needs and to match their client's risk appetite.

	BENEFIT FOR ADVISER	BENEFIT TO CLIENT
<b>Customised solution investment committee</b>	<ul style="list-style-type: none"> <li>- Participation in the portfolio management process</li> <li>- A well-defined and documented investment philosophy and process</li> </ul>	<ul style="list-style-type: none"> <li>- Continuity of investment decisions and management of your portfolio</li> </ul>
<b>Investment Process and Research</b>	<ul style="list-style-type: none"> <li>- Portfolios that are implemented and continually monitored by investment professionals</li> <li>- Access to competitive pricing</li> <li>- Access to PPSI's market research and manager research, a dedicated investment professional and investment specialist</li> <li>- Documented decisions to ensure continuity</li> <li>- Portfolio Construction based on thorough and vigorous process</li> </ul>	<ul style="list-style-type: none"> <li>- Combination of an expert financial adviser with a specialist investment manager can add considerable value.</li> <li>- Provide depth of analysis for your investments</li> </ul>
<b>Marketing</b>	<ul style="list-style-type: none"> <li>- Feedback and views from underlying managers</li> <li>- Commentary and monthly factsheets</li> <li>- Content for newsletters and articles</li> </ul>	<ul style="list-style-type: none"> <li>- Insightful and useful articles</li> <li>- Investment insights relevant to your risk profile and investment portfolio</li> </ul>
<b>Tools and Reporting</b>	<ul style="list-style-type: none"> <li>- Morningstar reporting</li> <li>- Performance and risk reporting</li> <li>- Proprietary investment reporting</li> </ul>	<ul style="list-style-type: none"> <li>- Access to up to date performance and information</li> </ul>
<b>Operational Efficiency</b>	<ul style="list-style-type: none"> <li>- Stream-lined investment administration and the ability to implement portfolio changes across your client base in one easy process</li> <li>- Bulking of transactions</li> <li>- Can focus on clients financial planning and strategy</li> </ul>	<ul style="list-style-type: none"> <li>- Adviser can focus on your financial planning and strategy</li> </ul>
<b>Practice Management</b>	<ul style="list-style-type: none"> <li>- Business intelligence and management information systems on your book- client segmentation, trends, identification of risks and opportunities</li> </ul>	
<b>Legal</b>	<ul style="list-style-type: none"> <li>- Supervision process (where applicable)</li> <li>- Investment mandate and contracting</li> <li>- Client mandate</li> <li>- Assistance with contracts for setting up of different vehicles</li> </ul>	<ul style="list-style-type: none"> <li>- Once off signature required for mandate resulting in less administrative burden</li> </ul>
<b>Compliance</b>	<ul style="list-style-type: none"> <li>- Confidence that you are meeting your legal and compliance obligations</li> <li>- Signed off by compliance officer</li> <li>- Documented minutes will ensure compliance with Conflict of Interest regulation</li> <li>- Regulatory checks (including Reg. 28)</li> <li>- Investment mandate monitoring</li> </ul>	<ul style="list-style-type: none"> <li>- Ensuring you remain at the forefront of regulation and new legislation</li> <li>- Ensuring that your TCF needs are being met</li> </ul>

## PPS MANAGED SHARE PORTFOLIO

Offered in conjunction with a stockbroker, the PPS Managed Share Portfolio allows your clients to invest a portion of their retirement funds in securities listed on South African exchanges, such as the local stock market (JSE).

This gives your clients access to professional stockbroking expertise and allows them to tailor a bespoke securities portfolio alongside their unit trust investments.

### PRODUCTS AVAILABLE FOR INVESTMENT

- PPS Personal Pension
- PPS Preservation Pension Fund
- PPS Preservation Provident Fund
- PPS Retirement Annuity
- PPS Living Annuity
  
- OPN Personal Pension
- OPN Preservation Pension Plan
- OPN Preservation Provident Plan

### MINIMUM INVESTMENT AMOUNTS

Initial investment: R1 000 000

Additional contributions: R100 000

### INVESTMENT MANDATES:

#### 1. Regulation 28 Managed Share Portfolio

Unit trusts are used to balance the equity exposure provided by the share portfolio so that the investment remains within Regulation 28 asset class limits.

An investor may invest a maximum of 97% of the overall investment amount in this share portfolio. The remainder (at least 3%) is required to be invested in a Regulation 28 compliant manner in unit trusts on the PPS Investments platform. This will provide for the payment of annual advice and administration fees.

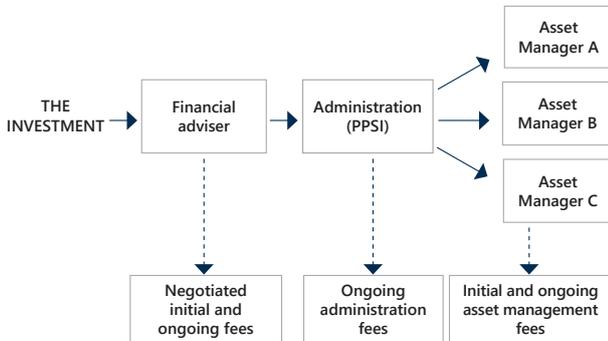
#### 2. Equity Focused Managed Share Portfolio

The stockbroker has a mandate to invest purely in equity (local listed shares).

An investor may invest a maximum of 70% of the overall investment amount in this share portfolio. The remainder is required to be invested in unit trusts on the PPS Investments platform, with at least 25% of this amount invested in non-equity unit trusts. This is both to provide for the payment of annual advice and administration fees as well as to ensure compliance with Regulation 28 of the Pension Funds Act.

# 5. HOW DOES PPS INVESTMENTS' FEE STRUCTURE WORK?

There are three types of fees your client may have to pay:



Please note: All fees quoted exclude VAT. VAT will be levied at the standard rate, where applicable.

## ORIGINAL FUND RANGE

### 1. ADVICE FEES

These are charged by you for appropriately advising your clients on how to structure their portfolios.

Product	Advice fees	
	Maximum initial advice fee	Maximum ongoing advice fee
PPS & OPN Investment Account	3%	1%
PPS & OPN Endowment Plan	3%	1%
PPS Retirement Annuity	3%	1%
PPS & OPN Personal Pension	3%	1%
PPS Preservation Funds & OPN Preservation Plans	3%	1%
PPS & OPN Living Annuity	1.5%	1%
Vested PPS Profit-Share Account*	3%	1%

\*Becomes accessible to qualifying members upon retirement

### 2. ADMINISTRATION FEES

These are charged by PPS Investments.

PPS Investments **reduces** its annual administration fee by the following:

A) A sliding scale based on the total amount your client has invested with us, across all investment products:

Initial	0%
Ongoing	Scaled administration fee (A) less partnership saving (B) i.e. (A-B)

Please note:

1. The PPS Enhanced Yield Fund charges a fixed administration fee of 0.40% and a partnership saving of 0.40%. The Coronation Money Market Fund charges a fixed administration fee of 0.475% and offers no partnership saving. Investments into both these unit trusts are excluded when applying the sliding scale.
2. An additional administration fee of 0.15% (excl. VAT) p.a. is applicable to amounts invested in the PPS Managed Share Portfolio.

B) Partnership savings negotiated with the asset managers available on the PPS Investments platform. These are unit trust dependant and range from 0% to 0.45%. Please refer to the relevant Investment Option Schedule on your Secure Online Services profile for details.

Investment amount	Sliding scale
Up to the first R500,000	0.70%
R500,001 - R1,500,000	0.50%
R1,500,001 - R2,500,000	0.45%
Above R2,500,000	0.40%

C) There are no additional fees levied should your clients reduce or cease their monthly premiums or should they switch between different underlying unit trusts. (However, where underlying asset managers charge an initial fee, this would be applied upon switching to their

Investment amount	Scaled administration fee	Partnership saving	Actual administration fee
R1,000,000	0.60%	0.40%	0.20%

### 3. ASSET MANAGEMENT FEES

You are able to choose from a selection of asset managers available on the PPS Investments platform or from the PPS Funds managed by PPS Multi-Managers. You may also include the PPS Managed Share Portfolio in your retirement funds.

Initial	0%
Ongoing	PPS Multi-Managers: 0.65% – 1.50% PPS Managed Share Portfolio: Mandate dependant** Discretionary Fund Mandate: Mandate dependant** Single managers: Fund dependant***

\*\*All charges are set out in the relevant PPS Managed Share Portfolio mandate.  
\*\*\*Ongoing fees may include performance fees. Please refer to the relevant Investment Option Schedule on your Secure Online Services profile to view the exact fees applicable to each unit trust on the PPS Investments platform. Please refer to the relevant Investment Option Schedule on your Secure Online Services profile to view the exact fees applicable to each unit trust on the PPS Investments platform.

## SELECT FUND RANGE

### 1. ADVICE FEES

Product	Advice fees	
	Maximum initial advice fee	Maximum ongoing advice fee
PPS & OPN Investment Account	3%	1%
PPS & OPN Endowment Plan	3%	1%
PPS & OPN Tax Free Investment Account	3%	1%
PPS Retirement Annuity	3%	1%
PPS & OPN Personal Pension	3%	1%
PPS Preservation Funds & OPN Preservation Plans	3%	1%
PPS & OPN Living Annuity	1.5%	1%
<i>Vested PPS Profit-Share Account*</i>	3%	1%

\*Becomes accessible to qualifying members upon retirement from PPS Insurance products

### 2. ADMINISTRATION FEES

PPS Investments charges no initial administration fee and reduces ongoing administration fees based on the total amount your client has invested with us, across all investment products:

Investment amount	Ongoing administration fee
Up to R1 500 000	0.50%
From R 1 500 000 to R5 000 000	0.20%
From R 5 000 000	0.10%

Please note:

- The Allan Gray Money Market Fund and PPS Enhanced Yield Fund both charge a fixed administration fee of 0.40%. Investments into these unit trusts are excluded when applying the sliding scale.
- An additional administration fee of 0.15% (excl. VAT) p.a. is applicable to amounts invested in the PPS Managed Share Portfolio.

There are no additional fees levied if you reduce or cease your monthly premiums or if you switch between different underlying unit trusts. (However, where underlying asset managers charge an initial upfront fee, this would be applied upon switching to their unit trusts.)

### 3. ASSET MANAGEMENT FEES

You are able to choose from a selection of asset managers available on the PPS Investments platform or from the PPS Funds managed by PPS Multi-Managers. You may also include the PPS Managed Share Portfolio in your retirement funds.

Initial	0%
Ongoing	PPS Multi-Managers: 0.25% – 1.05% PPS Managed Share Portfolio: Mandate dependant** Discretionary Fund Mandate: Mandate dependant** Single managers: Unit trust dependant***

\*\*All charges are set out in the relevant PPS Managed Share Portfolio mandate.

\*\*\*Ongoing fees may include performance fees. Please refer to the relevant Investment Option Schedule on your Secure Online Services profile to view the exact fees applicable to each unit trust on the PPS Investments platform.

## 6. OUR TIMELINES AND REQUIREMENTS

To ensure efficient processing, we please require that:

- All documentation is correctly completed and done so in full by the cut-off time at 14:00.
- All documentation is submitted to the PPS Investments Validations Team via fax on (021) 680 3680 or via email at admin@ppsinvestments.co.za.
- A copy of a deposit slip or electronic proof of payment that money has been paid into the product's bank account with an accompanying reference must be in our possession before the investment will be processed. The reference on the deposit slip must be the client's initials, surname and contact number.

### WHAT ARE PPS INVESTMENTS' TIMELINES?

- New business/additional contributions

Cut off	Process instruction	Units are purchased	Transaction finalised	Reflects on statement
Day 1 (Before 14:00)	Day 1	Day 2	Day 3 at price of Day 2	Day 4

- Internal Switch (switch within the same Management Company)

Cut off	Process instruction	Units are sold	Units are bought	Transaction finalised	Reflects on statement
Day 1 (Before 14:00)	Day 1	Day 2	Day 2	Day 3 at price of day 2	Day 4

- External Switch (switch between different Management Companies (A&B))

Cut off	Process instruction	A sells the units	Sale of units finalised	Money paid to B	B purchases units	Transaction finalised	Reflects on statement
Day 1 (Before 14:00)	Day 1	Day 2	Day 3 at price of day 2	Day 4	Day 4	Day 5 at price of day 4	Day 6

- Withdrawals

- Step 1 (Switch transaction)

Cut off	Process instruction	Units are sold	Sale of units finalised	Money from sale switched into clearing account	Step 1 finalised
Day 1 (Before 14:00)	Day 1	Day 2	Day 3 at price of day 2	Day 4	Day 5

- Step 2 (Withdrawal transaction)

Determine CGT	Withdrawal Processed	Sale of units in clearing account	Transaction finalised	Money available in bank account
Day 5	Day 5	Day 6	Day 7 at price of day 5	Day 8

Please note that certain switches and withdrawals cannot be processed during the period when fees or regular withdrawal payments are being processed. This is to ensure those payments can be made. Please contact us to confirm timing.

## 7. IMPORTANT DETAILS

### PPS SOLUTIONS

#### BANK ACCOUNT DETAILS

Bank: FNB

Branch: RMB Corporate Banking Cape Town

Branch Code: 20-41-09

#### PPS Investment Account

Account number 621 333 562 39

#### PPS Endowment Plan - Individuals

Account number 621 326 554 18

#### PPS Endowment Plan Companies & Trusts Account

Account number 621 326 556 40

#### PPS Tax Free Investment Account

Account number 625 741 690 51

#### PPS Personal Pension Retirement Annuity Fund

Account number 621 297 923 30

#### Professional Provident Society Retirement Annuity

Account number 622 699 123 77

#### PPS Preservation Pension Fund

Account number 621 297 904 59

#### PPS Preservation Provident Fund

Account number 621 297 802 28

#### PPS Living Annuity Account

Account number 621 326 547 09

#### SARS NUMBERS

##### PPS Personal Pension

18 / 20 / 4 / 041988

##### PPS Retirement Annuity

18 / 20 / 4 / 030135

##### PPS Preservation Pension Fund

18 / 20 / 4 / 041987

##### PPS Preservation Provident Fund

18 / 20 / 4 / 041989

#### FSB NUMBERS

##### PPS Personal Pension

12 / 8 / 37739

##### PPS Retirement Annuity

12 / 8 / 404

##### PPS Preservation Pension Fund

12 / 8 / 37737

##### PPS Preservation Provident Fund

12 / 8 / 37738



## OPN SOLUTIONS

### BANK ACCOUNT DETAILS

Bank: FNB

Branch: RMB Corporate Banking Cape Town

Branch Code: 20-41-09

### OPN Investment Account

Account number 622 227 230 84

### OPN Endowment Plan - Individuals

Account number 622 227 225 23

### OPN Endowment Plan Companies & Trusts Account

Account number 622 227 229 87

### OPN Tax Free Investment Account

Account number 625 741 650 83

### OPN Personal Pension Retirement Annuity Fund

Account number 622 227 264 84

### OPN Preservation Pension Plan

Account number 622 227 268 22

### OPN Preservation Provident Plan

Account number 622 227 249 17

### OPN Living Annuity Account

Account number 622 227 247 35

### SARS NUMBERS

#### OPN Personal Pension

18 / 20 / 4 / 041867

#### OPN Preservation Pension Plan

18 / 20 / 4 / 041868

#### OPN Preservation Provident Plan

18 / 20 / 4 / 041869

### FSB NUMBERS

#### Coronation Retirement Annuity Fund

(OPN Personal Pension) 12 / 8 / 37654

#### Coronation Preservation Pension Fund

(OPN Preservation Pension Plan) 12 / 8 / 37653

#### Coronation Preservation Provident Fund

(OPN Preservation Provident Plan) 12 / 8 / 37643

## OUR REGISTRATION NUMBERS

#### PPS Investments Proprietary Limited

2005/ 029098 /07

#### PPS Multi-Managers Proprietary Limited

2005/ 014015 /07

#### Professional Provident Society Management Company Proprietary Limited (RF)

2008/ 017040 /07

#### PPS Insurance Company Limited

2001/ 017730 /06

10. WHAT SOLUTIONS CAN YOU  
OFFER MY CLIENTS?

# PPS SOLUTIONS

FOR GRADUATE PROFESSIONAL INVESTORS  
ELIGIBLE FOR PPS MEMBERSHIP



# AN OVERVIEW OF OUR PPS PRODUCT SUITE

DISCRETIONARY (OWN) MONEY			
Product name	PPS Investment Account	PPS Endowment Plan	PPS Tax Free Investment Account
Pre/Post-retirement	Both	Both (post in unique situations)	Both
Primary objective	Short and medium-term savings	Medium-term savings	Long-term savings
Investment rationale	Investors saving towards lifestyle goals over the short to medium term, who seek few investment restrictions and flexibility above potential tax perks.	Higher income investors with a medium-term investment horizon who are looking for a tax-efficient savings vehicle.	Investors who are seeking a tax-efficient, long-term discretionary vehicle that offers flexibility.
Product suitability	Investors who: <ul style="list-style-type: none"> <li>- Have a marginal tax rate below 30%</li> <li>- Require access to their savings within 5 years</li> <li>- Do not require insolvency protection</li> <li>- Have not utilised their tax-free exemption</li> </ul>	Investors who: <ul style="list-style-type: none"> <li>- Have a marginal tax rate above 30%</li> <li>- Do not require access to their savings within 5 years</li> <li>- Are comfortable with limited insolvency protection</li> </ul>	Investors who: <ul style="list-style-type: none"> <li>- Are looking for a long-term tax efficient discretionary savings vehicle.</li> <li>- May require a non-regulation 28 alternative or supplement to a standard retirement savings vehicle.</li> <li>- Would like to generate tax-free growth on their investment after utilising their annual interest exemptions and exclusions on capital gains.</li> <li>- Do not require insolvency protection.</li> </ul>
Term	Open-ended	5 years, then open-ended	Open-ended
Regulation 28	No	No	No
Investment Minima - It is recommended that your client escalates their contribution to at least keep pace with inflation			Investment Minima
Lump sum	R2 000	R10 000	R2 750
Recurring	R500 monthly	R500 monthly	R500 monthly**
Ad hoc	R1 000	R5 000	R1 000
<b>Withdrawals, cessions and transfers</b>			
Pre-retirement withdrawals	Unrestricted access.	Yes, one is allowed during the five-year restriction period. Unrestricted access thereafter.	Unrestricted access. Annual and lifetime contribution limits are capped and withdrawals cannot be replenished.

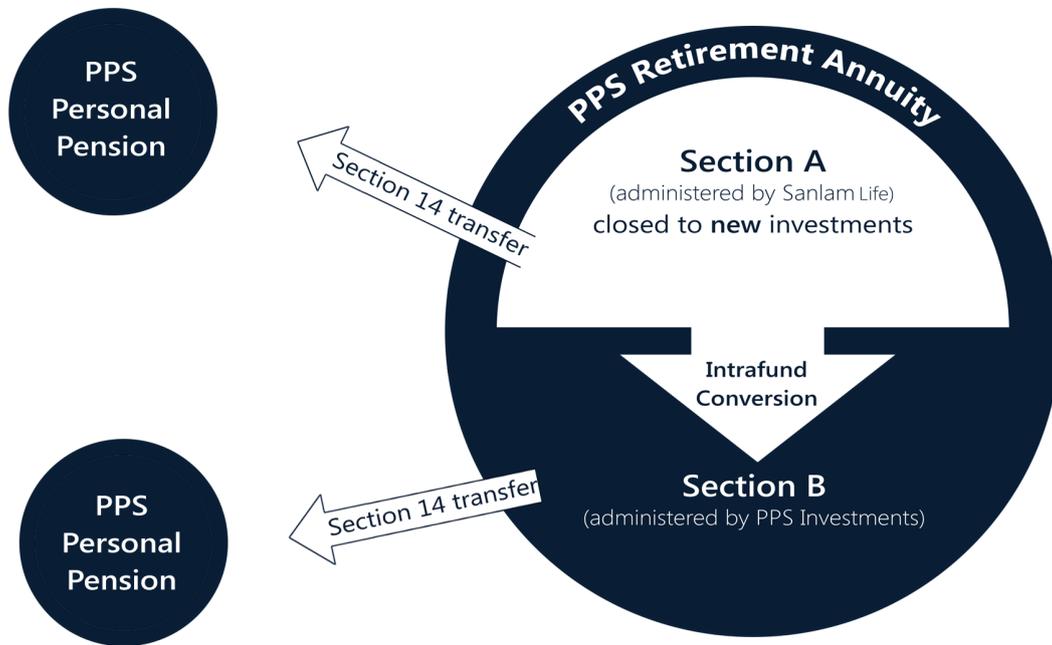
\*\*Escalations not currently available for TFIA

CONTRACTUAL MONEY				
Product name	PPS Personal Pension	PPS Retirement Annuity	PPS Preservation Funds	PPS Living Annuity
Pre/Post-retirement	Pre	Pre	Pre	Post
Primary objective	Long-term retirement savings	Transfer to transparent and cost-effective retirement vehicle	Preserve pension or provident fund savings	Retirement income
Investment rationale	Investors who are seeking a tax-efficient, long-term retirement savings vehicle.	Investors in the underwritten section of the PPS Retirement Annuity, who are seeking a better value proposition from their investment and for whom lower investment fees in the unit trust based section will outweigh the cost of an Intra-fund Conversion.	Investors who are seeking a tax-efficient way to preserve accumulated retirement savings when leaving a pension or provident fund.	Retirees looking to invest their accumulated retirement savings to provide a retirement income while offering the opportunity to generate further investment growth.
Product suitability	Investors who: <ul style="list-style-type: none"> <li>- Do not require access to their savings before age 55.</li> <li>- Are comfortable with the requirement to purchase post-retirement income with at least 2/3rds of their investment proceeds.</li> <li>- Seek tax benefits when saving towards retirement.</li> <li>- Seek insolvency protection when saving towards retirement.</li> </ul>	Investors for whom future savings from lower investment fees in the unit trust based section will outweigh the cost of an Intra-fund Conversion.  Investors who are looking to extend their retirement savings horizon once their underwritten policies have matured.	Investors who: <ul style="list-style-type: none"> <li>- Are comfortable that restrictions apply to a single pre-retirement withdrawal.</li> <li>- Are willing to remain invested until age 55</li> <li>- Seek tax benefits when preserving retirement savings.</li> <li>- Preservation pension fund: Are comfortable with the requirement to purchase post-retirement income with at least 2/3rds of their investment proceeds.</li> <li>- Seek insolvency protection when saving towards retirement.</li> </ul>	Investors who: <ul style="list-style-type: none"> <li>- Do not require a guaranteed income.</li> <li>- Are comfortable with the requirement to draw an annual income between 2.5% and 17.5% of their investment value.</li> <li>- Are comfortable to assume some investment risk to target further investment growth.</li> <li>- Are comfortable to assume responsibility for managing their retirement savings.</li> </ul>
Term	Until retirement	Until retirement	Until retirement	Until death
Regulation 28	Yes	Yes	Yes	No (but advised)
<b>Investment Minima - It is recommended that your client escalates their contribution to at least keep pace with inflation</b>				
Lump sum	R10 000	R10 000	R50 000	R100 000
Recurring	R500 monthly	R500 monthly	N/A	N/A
Ad hoc	R5 000	R5 000	N/A unless fund origin is the same	N/A
<b>Withdrawals, cessions and transfers</b>				
Pre-retirement withdrawals	Yes, if fund value is less than R7 000. Withdrawals above R7 000 are allowed due to permanent disability, divorce order, death, ceasing to be a resident or departing from the RSA on the expiry of a work or visiting visa.	Yes, if fund value is less than R7 000. Withdrawals above R7 000 are allowed due to permanent disability, divorce order, death, ceasing to be a resident or departing from the RSA on the expiry of a work or visiting visa.	You may make one withdrawal up to the full value of the preservation fund before retirement. Where the source of the fund is *GEPF, the withdrawal will be limited to one-third of the value.  *Government Employee Pension Fund	N/A

DISCRETIONARY (OWN) MONEY			
Product name	PPS Investment Account	PPS Endowment Plan	PPS Tax Free Investment Account
Post retirement withdrawals	Unrestricted access	Yes, one is allowed during the 5-year restriction period. Unrestricted access thereafter.	Unrestricted access.  Annual and lifetime contribution limits are capped and withdrawals cannot be replenished.
Cessions	Yes	Yes	Security cessions are allowed but outright cessions are not allowed.
Transfers	Yes	No	Yes
<b>Tax</b>			
This is a guide. Please refer to current tax legislation and product rules for details, or consult a tax specialist.			
Pre-retirement withdrawal tax	No tax applicable on investment withdrawals (see "Tax within product" below).	Benefits are paid after tax (see "Tax within product" below).	No tax applicable on investment withdrawals (see "Tax within product" below).
Tax on withdrawals at/post retirement	No tax applicable on investment withdrawals (see "Tax within product" below).	Benefits are paid after tax (see "Tax within product" below).	No tax applicable on investment withdrawals (see "Tax within product" below).
Tax within product	Local dividends are taxed (20%) and withheld before distributions are reinvested.	Savings will be taxed on net realised capital gains (12%) and interest (30%) within the product.  Local dividends are taxed (20%) and withheld before distributions are reinvested.	No tax is payable on interest, dividends or realised capital gains or losses that investors earn on their investment.
Tax considerations	Investors will be taxed on net realised capital gains and interest after individual exemptions (annual interest exemptions and capital gains exclusions) in their own capacity and not within the product.	Investors are not taxed in their own hands, but should be aware of the applicable tax rate of the relevant policyholder fund, as the tax rate applicable within an endowment plan is the average rate payable by the life company, rather than by an individual.	If the investor exceeds their annual contribution limit of R33 000 per tax year, this will lead to a penalty tax of 40% on the over-contributed amounts.  If the investor exceeds the lifetime contribution limit of R500 000, this will lead to a penalty tax of 40% on the over-contributed amount.  Penalty tax will be imposed by the SARS at the end of the tax year.

CONTRACTUAL MONEY				
Product name	PPS Personal Pension	PPS Retirement Annuity	PPS Preservation Funds	PPS Living Annuity
<b>Post retirement withdrawals</b>	<p>Can take up to 1/3rd as lump sum on reaching retirement; remainder commuted to post retirement income.</p> <p>Currently, you may withdraw one third of your accumulated funds as a lump sum upon retirement and must use the remaining two thirds of the capital for the provision of an annuity. If the total retirement benefit in the Fund is R247 500 or less, you may commute the total capital as a lump sum benefit.</p>	<p>Can take up to 1/3rd as lump sum on reaching retirement; remainder commuted to post retirement income.</p> <p>Currently, you may withdraw one third of your accumulated funds as a lump sum upon retirement and must use the remaining two thirds of the capital for the provision of an annuity. If the total retirement benefit in the Fund is R247 500 or less, you may commute the total capital as a lump sum benefit.</p>	<p>On reaching retirement:</p> <p>Preservation provident fund: Can take up to 100% as lump sum.</p> <p>Preservation pension fund: Can take up to 1/3rd as lump sum; remainder commuted to post retirement income.</p> <p>Currently, you may withdraw one third of your accumulated funds as a lump sum upon retirement and must use the remaining two thirds of the capital for the provision of an annuity. If the total retirement benefit in the Fund is R247 500 or less, you may commute the total capital as a lump sum benefit.</p>	<p>Must withdraw between 2.5% and 17.5% p.a. as income.</p> <p>Full withdrawal can be taken if policy value is less than either:  <b>-R75,000 (no cash portion taken at retirement); or</b>  <b>-R50,000 (cash portion taken at retirement).</b></p>
<b>Cessions</b>	No	No	No	No
<b>Transfers</b>	Yes, via Section 14 transfer	Yes, via Intra-fund Conversion or Section 14 transfer	Yes, via Section 14 transfer	Yes, via Section 37 transfer
<b>Tax</b>				
<b>This is a guide. Please refer to current tax legislation and product rules for details, or consult a tax specialist.</b>				
<b>Pre-retirement withdrawal tax</b>	<p>Withdrawals taxed as retirement fund lump sum withdrawal benefit.</p> <p>(Tax provisions due to permanent disability, divorce order, death, ceasing to be a resident or departing from the RSA on the expiry of a work or visiting visa, will differ).</p>	<p>Withdrawals taxed as retirement fund lump sum withdrawal benefit.</p> <p>(Tax provisions due to permanent disability, divorce order, death, ceasing to be a resident or departing from the RSA on the expiry of a work or visiting visa, will differ).</p>	Taxed as retirement fund lump sum withdrawal benefit.	N/A
<b>Tax on withdrawals at/post retirement</b>	Taxed as retirement fund lump sum benefit.	Taxed as retirement fund lump sum benefit.	Taxed as retirement fund lump sum benefit.	Income taxed as gross income according to the Income Tax Table, based on total income paid by product provider.
<b>Tax within product</b>	<p>Investor will not be taxed on net realised capital gains or interest within the product.</p> <p>Local dividends are not taxed before distributions are reinvested.</p> <p>Interest, foreign dividends and rental income are currently untaxed.</p>	<p>Investor will not be taxed on net realised capital gains or interest within the product.</p> <p>Local dividends are not taxed before distributions are reinvested.</p> <p>Interest, foreign dividends and rental income are currently untaxed.</p>	<p>Investor will not be taxed on net realised capital gains or interest within the product.</p> <p>Local dividends are not taxed before distributions are reinvested.</p> <p>Interest, foreign dividends and rental income are currently untaxed.</p>	<p>Investor will not be taxed on net realised capital gains or interest within the product.</p> <p>Local dividends are not taxed before distributions are reinvested.</p>
<b>Tax considerations</b>	<p>Amounts contributed to pension funds, provident funds and retirement annuity funds during a tax year are deductible by members of those funds. The deduction is limited to 27.5% of the greater of remuneration for PAYE purposes or taxable income (both excluding retirement fund and severance benefits). Furthermore, the deduction is limited to a maximum of R350 000.</p> <p>Any contributions exceeding the limitations are carried forward to the next tax year and are deemed to be contributed in that following year. Any unclaimed contributions may also reduce the taxable amount of a lump sum taken at withdrawal, retirement or death, and will reduce the taxable amount of the annuity income upon retirement.</p>		<p>Legislation allows only one early withdrawal from each preservation fund the investor has, and this is cumulatively taxed at withdrawal lump sum rates.</p> <p>The investor should consider the impact of any previous early withdrawals made from other preservation funds, when considering an early withdrawal from this preservation fund.</p>	<p>Investors should be aware of the tax implications of multiple annuity streams, since tax will be deducted from the annuity income payments received from the PPS Living Annuity in accordance with prevailing income tax legislation, unless specified otherwise.</p>

# THE PPS RETIREMENT ANNUITY OFFERED BY PPS INVESTMENTS



## Advantages of an Intrafund Conversion:



## How to do an Intrafund Conversion:

- 1** Request an Intrafund Conversion quote
- 2** Complete a PPS Investments RA Application form
- 3** Money will be paid to PPS within 2 - 4 weeks the application will then be processed

PPS PROFIT-SHARE ACCOUNT	
Vested PPS Profit-Share Account	
<b>Access</b>	Upon retiring from their PPS Insurance products, the profits PPS members have accumulated over the course of their PPS membership become accessible via the Vested PPS Profit-Share Account.
<b>Lifestage</b>	The Vested PPS Profit-Share Account provides members with a unique retirement asset.
<b>Investment rationale</b>	The Vested PPS Profit-Share Account allows members to: <ol style="list-style-type: none"> <li>1. Reinvest their profits to generate further returns;</li> <li>2. Supplement and prolong other retirement income by making withdrawals as they need to; and</li> <li>3. Continue sharing in PPS profits attributable to PPS Investments.</li> </ol>
<b>Term</b>	Until death
<b>Profit sharing</b>	Ongoing contributions to members will be determined based on the total amount invested with PPS Investments (across all PPS Investments products) and amounts invested in the PPS Portfolios.
<b>Transactions</b>	
<b>Contributions</b>	No additional investment contributions are allowed.
<b>Withdrawals</b>	Members have unrestricted access and can set up regular withdrawals to supplement retirement income or make partial and full withdrawals.
<b>Transfers</b>	Members are able to transfer their savings to another PPS Investments product more suited to their individual requirements and retirement strategy. The Vested PPS Profit-Share Account will remain active and the member will continue to receive profit allocations for as long as he or she remains invested with PPS Investments.
<b>Loans</b>	Not allowed
<b>Cessions</b>	Not allowed
<b>Switches</b>	Yes
<b>Tax</b>	
This is a guide. Please refer to current tax legislation and product rules for details, or consult a tax specialist.	
<b>Tax on withdrawals</b>	The proceeds of a withdrawal are tax free in your hands and all tax reporting responsibility is removed from you. All taxes due and payable are levied within your Vested PPS Profit-Share Account.
<b>Tax within product</b>	Most taxable growth (interest, net rental income and foreign dividends) is taxed at 30% for individuals while local dividends are taxed at 20% and realised capital gains at 12%.
<b>Vesting</b>	The PPS Profit-Share Account vests at retirement normally at the age of 66. Earlier retirement is also permissible between the ages of 60 and 66 but this will result in the cancellation of your PPS Sickness and Permanent Incapacity benefit. Members who choose to retain their PPS Sickness and Permanent Incapacity benefit post the age of 66 have the option to delay the vesting of the PPS Profit-Share Account until they cancel these benefits.

# OPN SOLUTIONS

FOR DISCERNING INVESTORS WHO ARE  
NOT ELIGIBLE FOR PPS MEMBERSHIP

# AN OVERVIEW OF OUR OPN PRODUCT SUITE

DISCRETIONARY (OWN) MONEY				
Product name	OPN Investment Account	OPN Endowment Plan	OPN Tax Free Investment Account	
Pre/Post-retirement	Both	Both (post in unique situations)	Both	
Primary objective	Short and medium-term savings	Medium-term savings	Long-term savings	
Investment rationale	Investors saving towards lifestyle goals over the short to medium term, who seek few investment restrictions and flexibility above potential tax perks.	Higher income investors with a medium-term investment horizon who are looking for a tax-efficient savings vehicle.	Investors who are seeking a tax-efficient, long-term discretionary vehicle that offers flexibility.	
Product suitability	Investors who: <ul style="list-style-type: none"> <li>- Have a marginal tax rate below 30%</li> <li>- Require access to their savings within 5 years</li> <li>- Do not require insolvency protection</li> <li>- Have not utilised their tax-free exemption.</li> </ul>	Investors who: <ul style="list-style-type: none"> <li>- Have a marginal tax rate above 30%</li> <li>- Do not require access to their savings within 5 years</li> <li>- Are comfortable with limited insolvency protection</li> </ul>	Investors who: <ul style="list-style-type: none"> <li>- Are looking for a long-term tax efficient discretionary savings vehicle.</li> <li>- May require a non-regulation 28 alternative or supplement to a standard retirement savings vehicle.</li> <li>- Would like to generate tax-free growth on their investment after utilising their annual interest exemptions and exclusions on capital gains.</li> <li>- Do not require insolvency protection.</li> </ul>	
Term	Open-ended	5 years, then open-ended	Open-ended	
Regulation 28	No	No	No	
Investment Minima - It is recommended that your client escalates their contribution to at least keep pace with inflation			Investment Minima	Investment Maxima
Lump sum	R2 000	R10 000	R2 000	Annual Contribution Limit: R33 000 Lifetime Contribution Limit: R500 000
Recurring	R500 monthly	R500 monthly	R500 monthly**	
Ad hoc	R1 000	R 5 000	R1 000	
<b>Withdrawals, cessions and transfers</b>				
Pre-retirement withdrawals	Unrestricted access.	Yes, one is allowed during the 5-year restriction period. Unrestricted access thereafter.	Unrestricted access. Annual and lifetime contribution limits are capped and withdrawals cannot be replenished.	
Withdrawals at/post retirement	Unrestricted access.	Yes, one is allowed during the 5-year restriction period. Unrestricted access thereafter.	Unrestricted access. Annual and lifetime contribution limits are capped and withdrawals cannot be replenished.	
Cessions	Yes	Yes	Security cessions are allowed but outright cessions are not allowed.	
Transfers	Yes	No	Yes	

\*Escalations not currently available for TFIA

CONTRACTUAL MONEY			
Product name	OPN Personal Pension	OPN Preservation Plans	OPN Living Annuity
Pre/Post-retirement	Pre	Pre	Post
Primary objective	Long-term retirement savings	Preserve pension or provident fund savings	Retirement income
Investment rationale	Investors who are seeking a tax-efficient, long-term retirement savings vehicle.	Investors who are seeking a tax-efficient way to preserve accumulated retirement savings when leaving a pension or provident fund.	Retirees looking to invest their accumulated retirement savings to provide a retirement income while offering the opportunity to generate further investment growth.
Product suitability	Investors who: <ul style="list-style-type: none"> <li>- Do not require access to their savings before age 55</li> <li>- Are comfortable with the requirement to purchase post retirement income with at least 2/3rds of their investment proceeds</li> <li>- Seek tax benefits when saving towards retirement</li> <li>- Seek insolvency protection when saving towards retirement</li> </ul>	Investors who: <ul style="list-style-type: none"> <li>- Are comfortable that restrictions apply to a single pre-retirement withdrawal</li> <li>- Are willing to remain invested until age 55</li> <li>- Seek tax benefits when preserving retirement savings</li> <li>- Preservation pension plan: Are comfortable with the requirement to purchase post retirement income with at least 2/3rds of their investment proceeds</li> <li>- Seek insolvency protection when saving towards retirement</li> </ul>	Investors who: <ul style="list-style-type: none"> <li>- Do not require a guaranteed income</li> <li>- Are comfortable with the requirement to draw an annual income between 2.5% and 17.5% of their investment value</li> <li>- Are comfortable to assume some investment risk to target further investment growth</li> <li>- Are comfortable to assume responsibility for managing their retirement savings</li> </ul>
Term	Until retirement (age 55)	Until retirement (age 55)	Until death
Regulation 28	Yes	Yes	No (but advised)
<b>Investment Minima -</b> It is recommended that your client escalates their contribution to at least keep pace with inflation			
Lump sum	R10 000	R50 000	R10 000
Recurring	R500 monthly	N/A	N/A
Ad hoc	R5 000	N/A unless fund origin is the same	N/A
<b>Withdrawals, cessions and transfers</b>			
Pre-retirement withdrawals	Yes, if fund value is less than R7 000. Withdrawals above R7 000 are allowed due to permanent disability, divorce order, death, ceasing to be a resident or departing from the RSA on the expiry of a work or visiting visa.	You may make one withdrawal up to the full value of the preservation fund before retirement. Where the source of the fund is *GEPPF, the withdrawal will be limited to one-third of the value.  *Government Employee Pension Fund	N/A
Withdrawals post retirement	Can take up to 1/3rd as lump sum on reaching retirement; remainder commuted to post retirement income.  Currently, you may withdraw one third of your accumulated funds as a lump sum upon retirement and must use the remaining two thirds of the capital for the provision of an annuity. If the total retirement benefit in the Fund is R247 500 or less, you may commute the total capital as a lump sum benefit.	On reaching retirement: Preservation provident plan: Can take up to 100% as lump sum. Preservation pension plan: Can take up to 1/3rd as lump sum; remainder commuted to post retirement income.  Currently, you may withdraw one third of your accumulated funds as a lump sum upon retirement and must use the remaining two thirds of the capital for the provision of an annuity. If the total retirement benefit in the Fund is R247 500 or less, you may commute the total capital as a lump sum benefit.	Must withdraw between 2.5% and 17.5% p.a. as income. <ul style="list-style-type: none"> <li>- Full withdrawal can be taken if policy value is less than either:</li> <li>- R75 000 (no cash portion taken at retirement); or</li> <li>- R50 000 (cash portion taken at retirement).</li> </ul>
Cessions	No	No	No
Transfers	Yes, via Section 14 transfer	Yes, via Section 14 transfer	Yes, via Section 37 transfer

DISCRETIONARY (OWN) MONEY			
Product name	OPN Investment Account	OPN Endowment Plan	OPN Tax Free Investment Account
<b>Tax</b>			
This is a guide. Please refer to current tax legislation and product rules for details, or consult a tax specialist.			
<b>Pre-retirement withdrawal tax</b>	No tax applicable on investment withdrawals (see "Tax within product" below).	Benefits are paid after tax (see "Tax within product" below).	No tax applicable on investment withdrawals (see "Tax within product" below).
<b>Tax on withdrawal at/post retirement</b>	No tax applicable on investment withdrawals (see "Tax within product" below).	Benefits are paid after tax (see "Tax within product" below).	No tax applicable on investment withdrawals (see "Tax within product" below).
<b>Tax within product</b>	Local dividends are taxed (20%) and withheld before distributions are reinvested.	Savings will be taxed on net realised capital gains (12%) and interest (30%) within the product.  Local dividends are taxed (20%) and withheld before distributions are reinvested.	No tax is payable on interest, dividends or realised capital gains or losses that you earn on your investment.
<b>Tax considerations</b>	Investors will be taxed on net realised capital gains and interest after individual exemptions (annual interest exemptions and capital gains exclusions) in their own capacity and not within the product.	Investors are not taxed in their own hands, but should be aware of the applicable tax rate of the relevant policyholder fund, as the tax rate applicable within an endowment plan is the average rate payable by the life company, rather than by an individual.	If the investor exceeds their annual contribution limit of R33 000 per tax year, this will lead to a penalty tax of 40% on the over-contributed amounts.  If the investor exceeds the lifetime contribution limit of R500 000, this will lead to a penalty tax of 40% on the over-contributed amount.  Penalty tax will be imposed by the SARS at the end of the tax year.

CONTRACTUAL MONEY			
Product name	OPN Personal Pension	OPN Preservation Funds	OPN Living Annuity
Tax			
This is a guide. Please refer to current tax legislation and product rules for details, or consult a tax specialist.			
<b>Pre-retirement withdrawal tax</b>	<p>Withdrawals taxed as retirement fund lump sum withdrawal benefit.</p> <p>(Tax provisions due to permanent disability, divorce order, death, ceasing to be a resident or departing from the RSA on the expiry of a work or visiting visa, will differ).</p>	Taxed as retirement fund lump sum withdrawal benefit.	N/A
<b>Tax on withdrawals at/post retirement</b>	Taxed as retirement fund lump sum benefit.	Taxed as retirement fund lump sum benefit.	Income taxed as gross income according to the Income Tax Table, based on total income paid by product provider.
<b>Tax within product</b>	<p>Investor will not be taxed on net realised capital gains or interest within the product.</p> <p>Local dividends are not taxed before distributions are reinvested.</p> <p>Interest, foreign dividends and rental income are currently untaxed.</p>	<p>Investor will not be taxed on net realised capital gains or interest within the product.</p> <p>Local dividends are not taxed before distributions are reinvested.</p> <p>Interest, foreign dividends and rental income are currently untaxed.</p>	<p>Investor will not be taxed on net realised capital gains or interest within the product.</p> <p>Local dividends are not taxed before distributions are reinvested.</p>
<b>Tax considerations</b>	<p>Amounts contributed to pension funds, provident funds and retirement annuity funds during a tax year are deductible by members of those funds. The deduction is limited to 27.5% of the greater of remuneration for PAYE purposes or taxable income (both excluding retirement fund and severance benefits). Furthermore, the deduction is limited to a maximum of R350 000.</p> <p>Any contributions exceeding the limitations are carried forward to the next tax year and are deemed to be contributed in that following year. Any unclaimed contributions may also reduce the taxable amount of a lump sum taken at withdrawal, retirement or death, and will reduce the taxable amount of the annuity income upon retirement.</p>	<p>Legislation allows only one early withdrawal from each preservation fund the investor has, and this is cumulatively taxed at withdrawal lump sum rates.</p> <p>The investor should consider the impact of any previous early withdrawals made from other preservation funds, when considering making an early withdrawal from this preservation fund.</p>	Investor should be aware of the tax implications of multiple annuity streams, since tax will be deducted from the annuity income payments received from the OPN Living Annuity in accordance with prevailing income tax legislation, unless specified otherwise.

# AN OVERVIEW OF OUR CORPORATE OFFERING

CORPORATE OFFERING	
Product name	PPS Corporate Personal Pension
Pre/Post-retirement	Pre
Primary objective	Offer employees a retirement benefit at no cost to the company
Investment rationale	Encourage a savings culture to facilitate a comfortable retirement
Term	Until retirement
Regulation 28	Yes
<b>Investment Minima - It is recommended that investors escalate their contributions to at least keep pace with inflation</b>	
Lump sum	R10,000
Recurring	R500 monthly
Ad hoc	R5,000
<b>Withdrawals, cessions and transfers</b>	
Pre-retirement withdrawals	Yes, if fund value is less than R7,000. Withdrawals above R7,000 are allowed due to permanent disability, divorce order, death, ceasing to be a resident or departing from the RSA on the expiry of a work or visiting visa.
Withdrawals at/post retirement	Can take up to 1/3rd as lump sum on reaching retirement; remainder commuted to post retirement income.  Currently, you may withdraw one third of your accumulated funds as a lump sum upon retirement and must use the remaining two thirds of the capital for the provision of an annuity. If the total retirement benefit in the Fund is R247 500 or less, you may commute the total capital as a lump sum benefit.
Cessions	No
Switches	Yes
Transfers	Yes, via Section 14 transfer
<b>Tax</b>	
This is a guide. Please refer to current tax legislation and product rules for details, or consult a tax specialist.	
Pre-retirement withdrawal tax	Withdrawals taxed as retirement fund lump sum withdrawal benefit.  (Tax provisions due to permanent disability, divorce order, death, ceasing to be a resident or departing from the RSA on the expiry of a work or visiting visa, will differ).
Tax on withdrawals at post retirement	Taxed as retirement fund lump sum benefit.
Tax within product	Investor will not be taxed on net realised capital gains or interest within the product.  Local dividends are not taxed before distributions are reinvested.  Interest, foreign dividends and rental income are currently untaxed.





**MANDATORY DISCLOSURES:** All information and opinions provided are of a general nature and are not intended to address the circumstances of any Financial Service Provider's (FSP) clients. Kindly note that this does not constitute financial advice. In terms of the Financial Advisory and Intermediary Services Act, a FSP should not provide advice to investors without appropriate risk analysis and thorough examination of a particular client's financial situation. The information, opinions and any communication from the PPS Investments Group [PPS Investments Proprietary Limited, PPS Multi-Managers Proprietary Limited and PPS Management Company Proprietary Limited (RF)], whether written, oral or implied are expressed in good faith and not intended as investment advice, neither does it constitute an offer or solicitation in any manner. Collective Investment Schemes (CIS) are generally medium to long term investments. The value of participatory interests (units) may go down as well as up, and past performance is not necessarily a guide to future performance. Total Expense Ratio (TER) is a measure which can be used to determine how much of the Investment Option's underlying assets are incurred as administration expenses. Transaction Cost (TC) is a measure of the total costs incurred in buying and selling assets underlying the Investment Option. TER's and TC's are expressed as a percentage of the daily net asset value of the Investment Option calculated over a period of three years on an annualised basis. A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER may not necessarily be an accurate indication of future TER's. TC's are a necessary cost in administering the Investment Options and impact Investment Option returns. It should not be considered in isolation as returns may be impacted by many other factors over time including market returns, the type of Financial Product, the investment decisions of the investment manager and the TER. CIS are traded at ruling prices and can engage in borrowing and scrip lending up to 10% of the market value of the portfolio to bridge insufficient liquidity. The manager does not provide any guarantee either with respect of the capital or the return of a portfolio; and may close the portfolio to new investors to ensure that the portfolio is managed according to its mandate. A fund of funds is a portfolio that invests in portfolios of collective investment schemes that levy their own charges, which could result in a higher fee structure for the fund of funds. Performance figures are from PPS Multi-Managers and Morningstar and are for lump sum investments with income distributions reinvested on the ex-dividend date. Declaration of income accruals are made half-yearly. Please note, some of the funds are exposed to foreign securities and as such, it may be subject to the additional macroeconomic and political risks brought about by this exposure. It may also be subject to currency risk, which means the underlying investments of the fund could depreciate or appreciate against the reporting currency of the investor. Because these securities are listed on other exchanges, it may be subject to the relevant regulatory authority, and thus the tax implications and legislative changes of that particular entity. There may also be delays in realising investments, due to system or liquidity issues experienced by the respective exchange. The portfolio may also be subject to settlement risk; regional market failures will impact the portfolio heavily invested therein. In addition, normal market and investment value fluctuations will occur. All PPS Multi-Managers performance figures and values are quoted after the deduction of costs and applicable taxes incurred within the Fund. The above portfolio performance is calculated on a NAV to NAV basis and does not take any initial fees into account. Actual investment performance will differ based on the initial fees applicable, the actual investment date and the date of the reinvestment of income and dividend withholding tax. Past performance is not indicative of future performance. Historical performance figures of the oldest fund class available on the PPS Investments platform are duplicated to illustrate the fund performance of relevant newer fund classes. It is calculated taking all ongoing fees into account for the amount shown relevant to the fund class. Income is reinvested on the reinvestment date. Professional Provident Society Insurance Company Limited is a member of the Association for Savings & Investment SA (ASISA). A schedule of fees, charges and maximum commissions are available on request. PPS Investments and its subsidiaries will not be held liable or responsible for any direct or consequential loss or damage suffered by any party as a result of that party acting on or failing to act on the basis of the information provided in this document.

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For more performance information, Minimum Disclosure Documents (MDDs) of the above Investment Options are available on the PPS Investments website [www.ppsinvestments.co.za](http://www.ppsinvestments.co.za). (The MDD'S incorporating the updated Total Expense Ratio (TER) and Transaction Cost (TC) shall be published in line with the ASISA standard).

# THE 2018 PPS INTEGRATED REPORT

TOTAL ASSETS\*  
**R34.9**  
billion

PROFITS ALLOCATED  
TO MEMBERS  
**R634.6**  
million

BENEFITS PAID  
**R3.2**  
billion

## IT ADDS UP

For over 77 years, we at PPS have been providing bespoke financial services to graduate professionals and, since 2009, have cumulatively shared more than R25 billion with our members.

This exclusive benefit continues this year with PPS, adding even more to what we share between our member doctors, engineers, lawyers, accountants, financial advisers, academics, scientists, architects, and all other eligible professionals.

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