



FOR PROFESSIONALS

SINCE 1941

INVESTMENTS

Financial Adviser Guide

April 2020

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1. INTRODUCTION TO PPS INVESTMENTS

PPS Investments is a subsidiary of PPS, a mutual organisation that offers a wide range of bespoke financial solutions exclusively to graduate professionals, including wealth management services, insurance and fiduciary services.

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 intergenerational wealth.

We offer:

A COMPREHENSIVE RANGE OF INVESTMENT SOLUTIONS

Our investment solutions are designed to cater for the unique needs of graduate professionals and their families, throughout all life stages.

PREMIUM INVESTMENT OPTIONS

Your clients can choose from a carefully constructed range of single-managed and multi-managed funds catering for various risk profiles, as well as selected funds from premium asset managers.

OPPORTUNITY FOR SENSIBLE DIVERSIFICATION

We strive to blend an appropriate combination of investment styles from asset managers to offer your clients opportunities for optimal diversification.

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, transparent and easily accessible.

PROFESSIONAL INVESTMENTS FOR ALL

Everyone can benefit from our expertise even if they are not a PPS member. Our investment solutions caters to the needs of PPS Members through the PPS range, and extends access to their family members (who are non-PPS Members) via the OPN range.

About PPS

PPS is the only mutual financial services company in South Africa that focuses exclusively on graduate professionals, providing tailor-made insurance, investment and healthcare solutions to our members.

PPS is recognised as a company of value and integrity by lawyers, doctors, accountants, engineers and many other professions that know PPS is exclusively there for them and their families through every life stage – from graduation to retirement and beyond.

PPS was founded in 1941 by a group of eight dentists who recognised that a working professional's most valuable asset was their expertise. Today, PPS still seeks to protect these professionals from being unable to practice their chosen vocation due to sickness or injury.

What makes PPS unique?

The PPS Profit-Share Account is an exclusive 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. The PPS operating profit (calculated on a portion of premiums and the investment growth thereon) is shared each year by means of profit allocations into these members' PPS Profit-Share Accounts.

PPS Members with qualifying products* with PPS Insurance, PPS Investments and Profmed, will also share in the profits of PPS Investments and PPS Health Care Administrator.

Profit allocations are distributed to the PPS Profit-Share Account and invested on behalf of the members before becoming accessible via the Vested PPS Profit-Share Account. This offers members a unique advantage of supplementing their 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 60

From the age of 60, the profits that your clients' have accumulated in their PPS Profit-Share Account over the course of their PPS membership can be vested in their name via the Vested Profit-Share Account.

Once their PPS Profit-Share Account vests, they may utilize their accumulated profits through the Vested PPS Profit-Share Account as part of their retirement planning. In addition, any profit share allocated earned on their investments with PPS Investments will be their Vested PPS Profit-Share Account.

The Vested PPS Profit-Share Account enables your clients to:

1. reinvest their accumulated profit share to generate more capital growth
2. supplement and prolong their retirement savings by making withdrawals when necessary
3. continue sharing in PPS profits attributable to PPS investments
4. access withdrawals that are net of tax, where the tax reporting is not their responsibility
5. gain access to premium unit-trusts via the PPS Fund range

PHASE 03: At retirement

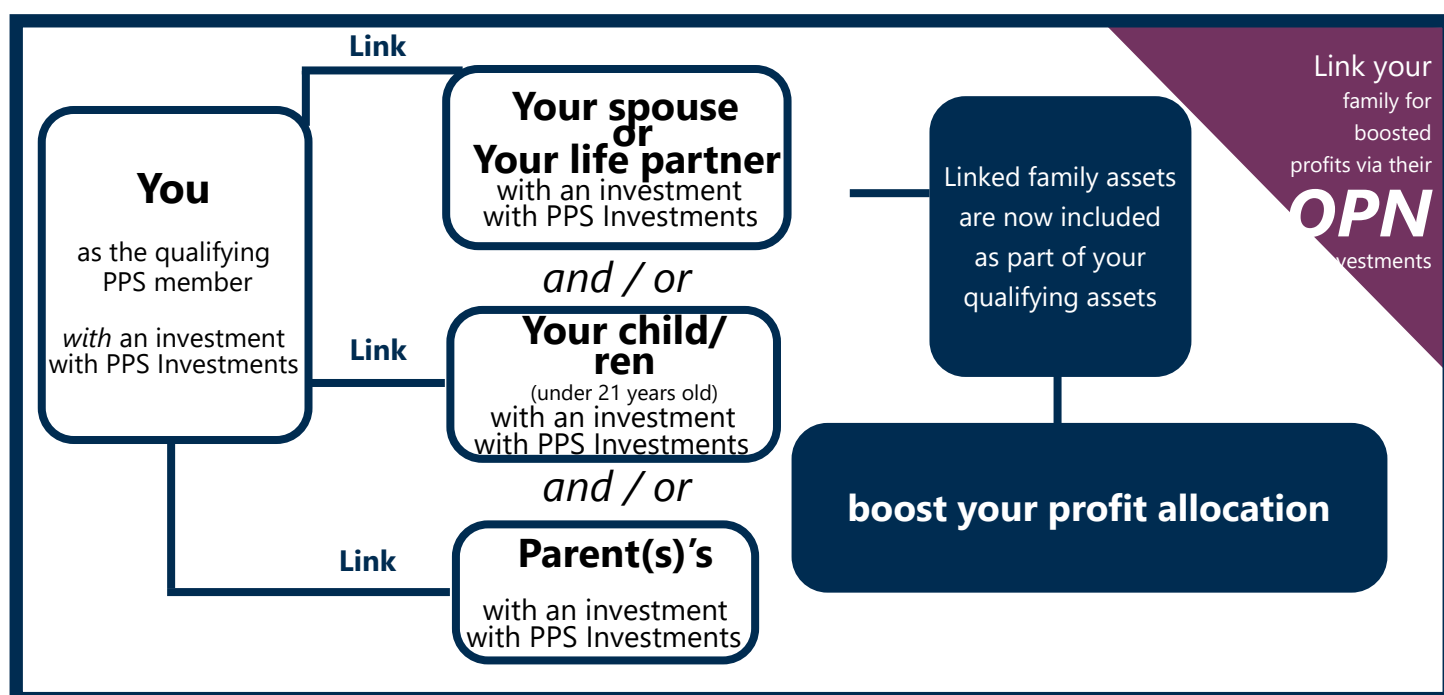
Maximising your client's PPS Profit-Share Account

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 (under 21) 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:

PPS INVESTMENTS SECURE SITE

With the PPS Investments Secure Site, you can access client investment information and transact securely conveniently online – anytime, anywhere.

It's also designed with your needs in mind and is geared to enable ease of business with us.

The Secure Site functionality includes:

- A calendar to view notifications of upcoming Section 14 advice fee renewals and annuity revisions; as well as pre-populate an instruction form for online client authorisation.
- Practice Management to view your book report; and subscribe to receive reports, such as adviser fee reports, case management and more.
- Complete an online transaction (including a debit order change or switch), using the random verification number (RVN) authentication process – there's no need for paper submissions.

Experience the full functionality that the Secure Site offers by visiting www.ppsisecure.co.za

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.

To transact on investments via the App you will need to register your phone, for security purposes.

Go to www.ppsisecure.co.za and log in to the PPS Investments Secure Site. 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) or (021) 672 2783

Fax: (021) 680 3680

For general queries email:

clientservices@ppsinvestments.co.za

For administrative queries and submission of all new instructions email:

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:

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 NON-PPS MEMBERS AND FAMILIES OF GRADUATE PROFESSIONALS

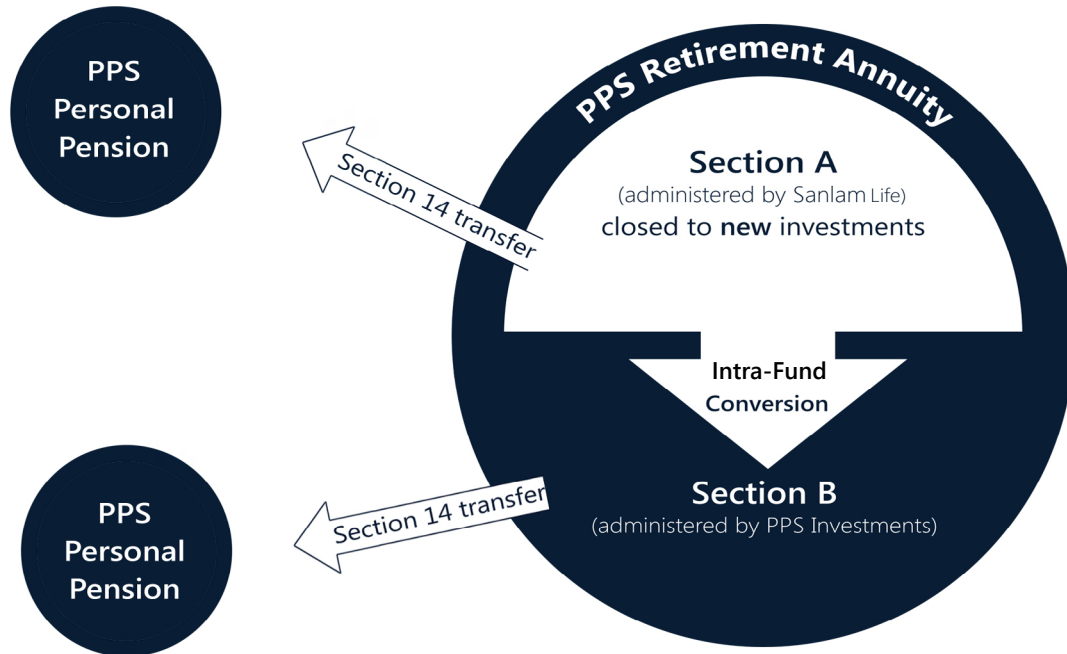
| Pre-retirement products | Post-retirement products |
|---------------------------------|--------------------------|
| OPN Investment Account | |
| OPN Endowment Plan | |
| OPN Tax Free Investment Account | |
| OPN Personal Pension | OPN Living Annuity |
| OPN Preservation Plans | |

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 |




INTRA-FUND CONVERSION WITHIN THE PPS RETIREMENT ANNUITY



Advantages of an Intra-Fund Conversion:



How to do an Intra-Fund Conversion:

- 1** Request an **Intra-Fund 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 

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 MULTI-MANAGED 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.

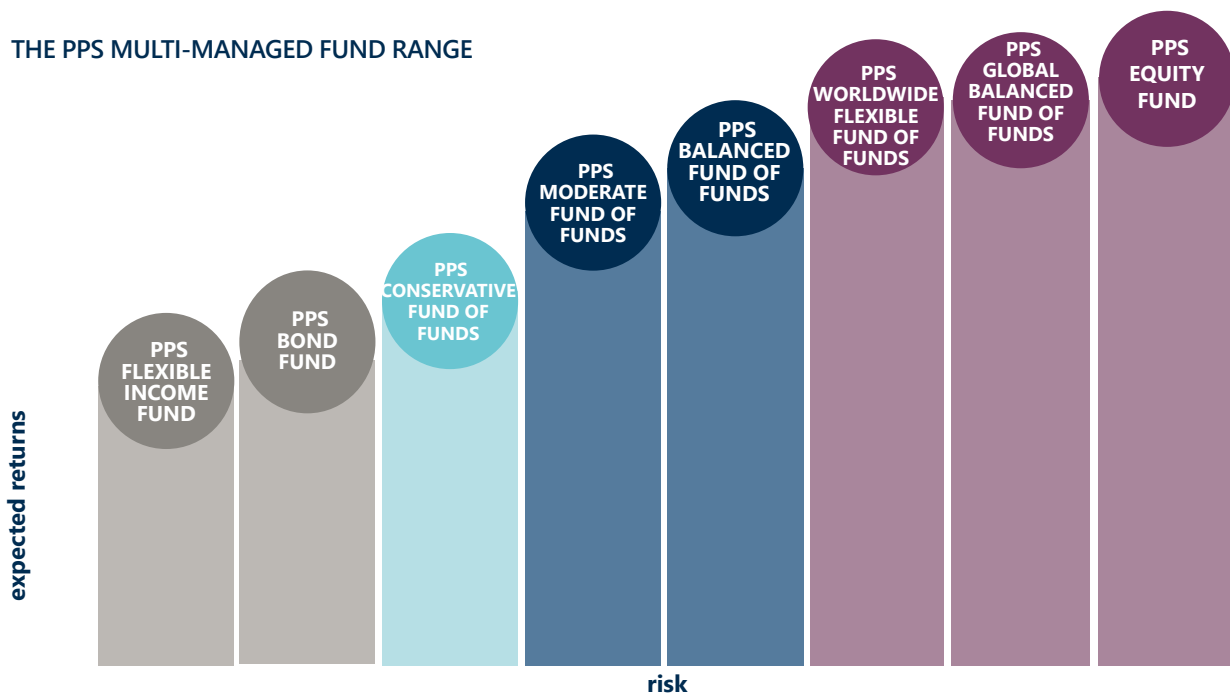
This means that when you choose a PPS Fund, your investment research has already been done.

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. We offer both Multi-Manager funds and Partnership funds (single-manager funds).

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 MULTI-MANAGED FUND RANGE

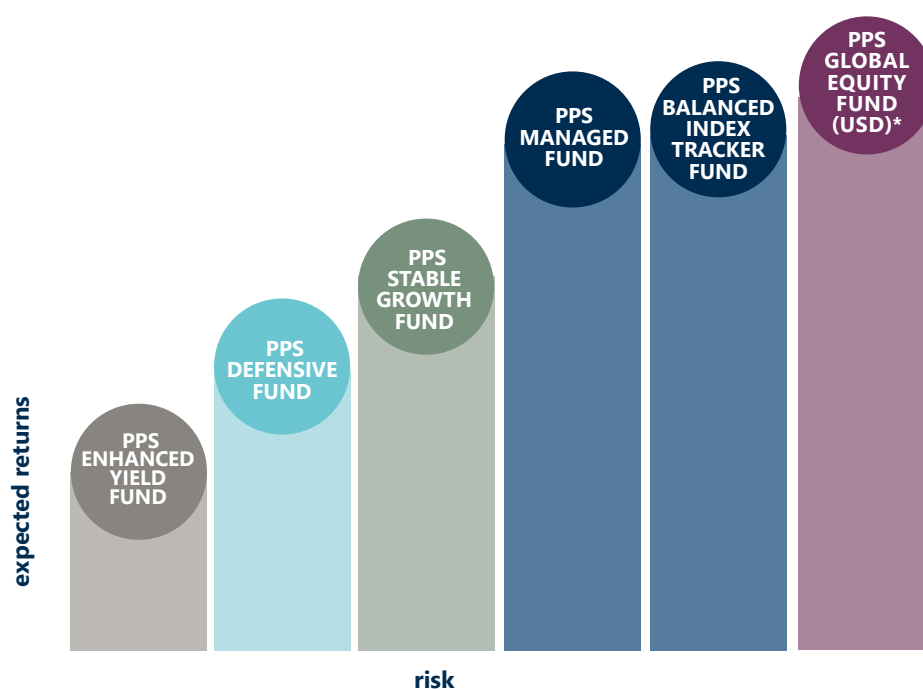


PPS PARTNERSHIP FUNDS

We've expanded our fund range to offer clients a unique opportunity for added diversification through the PPS Partnership 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 Funds through their proven investment philosophies, experience and expertise.

OVERVIEW OF THE PPS PARTNERSHIP FUNDS



* Investing in the PPS Global Equity Fund

Your clients can invest directly into the fund, with a min investment amount of \$10 000. You can obtain the PPS Global Equity Fund Minimum Disclosure Document and download an application form from the PPS Global Equity Secure Site via the PPS Investments Secure Site at www.ppsisecure.co.za.

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

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: starting from 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.

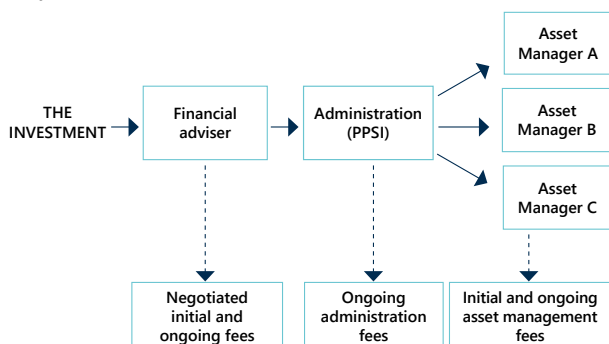
2. Equity Focused Managed Share Portfolio

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 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.

A) Partnership savings negotiated with the asset managers available on the PPS Investments platform. These are unit trust dependent and range from 0% to 0.45%. Please refer to the relevant Investment Option Schedule on your Secure Site 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% |

B) There are no additional fees levied, such as transactional fees, 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 unit trusts.)

| 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 dependent** Discretionary Fund Mandate: Mandate dependent** Single managers: Fund dependent*** |

**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 Site 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 Site 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% |
| Vested PPS Profit-Share Account* | 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, such as transactional fees, should your client reduce or cease their monthly premiums or if they 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 dependent** Discretionary Fund Mandate: Mandate dependent** Single managers: Unit trust dependent*** |

**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 Site profile to view the exact fees applicable to each unit trust on the PPS Investments platform.

UNIQUE BENEFITS FOR YOUR CLIENTS WITH THE PPS INVESTMENTS FAMILY NETWORK

WHAT IS THE PPS INVESTMENTS FAMILY NETWORK?

The Family Network enables your clients to connect their family members' investments on our platform to ensure that family members benefit from a reduced administration fee.

WHO CAN BE CONNECTED TO THE FAMILY NETWORK?

The core investor, has the option to connect:

- a spouse,
- parents (including parents-in-law), and
- children of all ages.

All family members must be investors with PPS Investments in order to connect.

HOW IS THE ADMINISTRATION FEE OF THE FAMILY NETWORK DETERMINED?

Each family member's investments are connected to determine the total family market value that will be applied to our administration fee scale. This establishes the family administration fee that will apply to each family member.

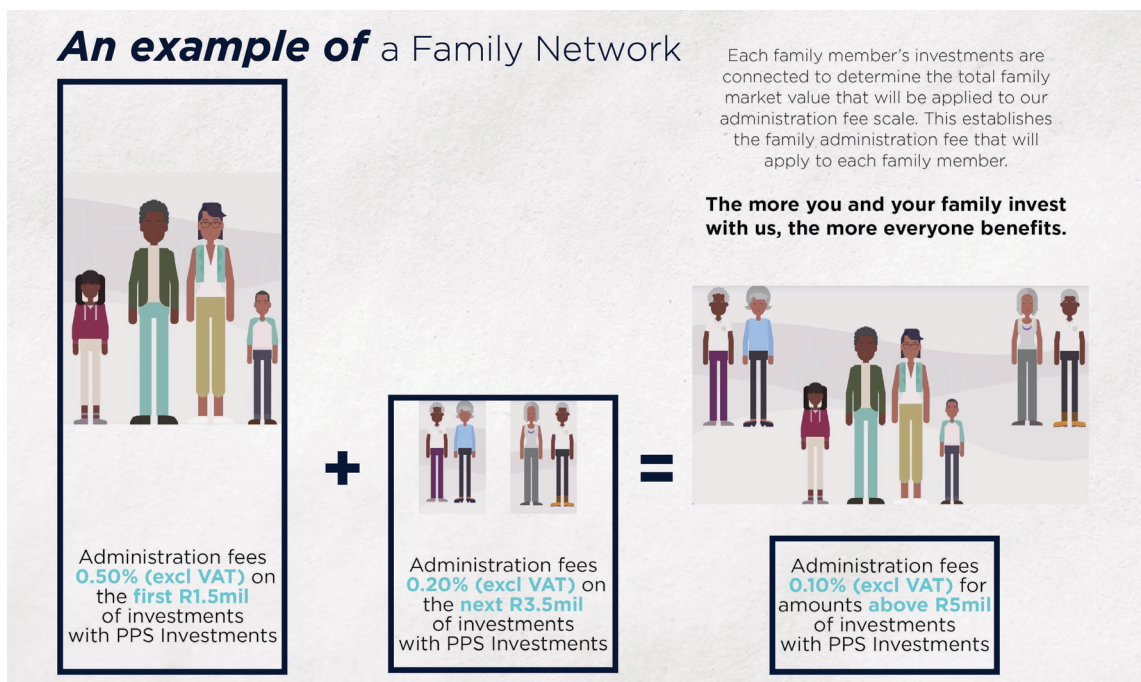
The more your clients and their family invest with us, the more everyone benefits.

HOW DO I CREATE A FAMILY NETWORK FOR MY CLIENT?

You can explore the Family Network play-zone by visiting www.pps.co.za/familynetwork to establish the best structure for your client's family. They will need to provide you with their family member's email address and how they are related to them.

Then they can head over to the PPS Investments Secure Site (www.ppsisecure.co.za), where they can create and manage their Family Network.

If your client has already received an invitation and would like your assistance to connect them to an existing Family Network, they can send the Family Key (as per the email invitation) to you in order to connect them to a specific Family Network.



for illustrative purposes only

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 |

Note: 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. An electronic collection is restricted to a maximum Rand value per day as determined by the banks. An amount greater than this will require the Administrator to make multiple debits over multiple days, which may result in additional transaction costs. The investment will be processed one (1) business day after the last debit is received.

7. IMPORTANT DETAILS

PPS SOLUTIONS

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

FSP NUMBERS

PPS Personal Pension Retirement Annuity Fund

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

SARS NUMBERS

OPN Personal Pension

18 / 20 / 4 / 041988

OPN Preservation Pension Plan

18 / 20 / 4 / 041987

OPN Preservation Provident Plan

18 / 20 / 4 / 041989

FSP NUMBERS

PPS Personal Pension Retirement Annuity Fund

(OPN Personal Pension) 12 / 8 / 37739

PPS Preservation Pension Fund

(OPN Preservation Pension Plan) 12 / 8 / 37737

PPS Preservation Provident Fund

(OPN Preservation Provident Plan) 12 / 8 / 37738

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

8. A DETAILED SUMMARY OF OUR SOLUTION SUITE

PPS SOLUTIONS

FOR GRADUATE PROFESSIONAL INVESTORS
ELIGIBLE FOR PPS MEMBERSHIP

AN OVERVIEW OF OUR PPS SOLUTION 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: - Have a marginal tax rate below 30% - Require access to their savings within 5 years - Do not require insolvency protection - Have utilised their tax-free exemption | Investors who: - Have a marginal tax rate above 30% - Do not require access to their savings within 5 years - Are comfortable with limited insolvency protection | Investors who: - Are looking for a long-term tax efficient discretionary savings vehicle. - May require a non-regulation 28 alternative or supplement to a standard retirement savings vehicle. - Would like to generate tax-free growth on their investment after utilising their annual interest exemptions and exclusions on capital gains. - Do not require insolvency protection. | |
| 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 | R3 000 | Annual Contribution Limit: R36 000 Lifetime Contribution Limit: R500 000 |
| Recurring | R500 monthly | R500 monthly | R500 monthly** | |
| Ad hoc | R1 000 | R5 000 | R1 000 | |
| Withdrawals, cessations and transfers | | | | |
| 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"> - Do not require access to their savings before age 55. - Are comfortable with the requirement to purchase post-retirement income with at least 2/3rds of their investment proceeds. - Seek tax benefits when saving towards retirement. - Seek insolvency protection when saving towards retirement. | 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"> - Are comfortable that restrictions apply to a single pre-retirement withdrawal. - Are willing to remain invested until age 55 - Seek tax benefits when preserving retirement savings. - Preservation pension fund: Are comfortable with the requirement to purchase post-retirement income with at least 2/3rds of their investment proceeds. - Seek insolvency protection when saving towards retirement. | Investors who: <ul style="list-style-type: none"> - Do not require a guaranteed income. - Are comfortable with the requirement to draw an annual income between 2.5% and 17.5% of their investment value. - Are comfortable to assume some investment risk to target further investment growth. - Are comfortable to assume responsibility for managing their retirement savings. |
| Term | Until retirement | Until retirement | Until retirement | Until death |
| Regulation 28 | Yes | Yes | Yes | No (but advised) |
| Investment Minima - It is recommended that your client escalates their contribution to at least keep pace with inflation | | | | |
| 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 |
| Withdrawals, cessations and transfers | | | | |
| 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 |
| Tax | | | |
| This is a guide. Please refer to current tax legislation and product rules for details, or consult a tax specialist. | | | |
| Pre-retirement withdrawal tax | N/A | N/A | N/A |
| 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 R36 000 per tax year, this will lead to a penalty tax of 40% on the over-contributed amounts. If the investor exceeds the life-time 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 |
| Post retirement withdrawals | <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 R125 000</p> |
| Cessions | No | No | No | No |
| Transfers | Yes, via Section 14 transfer | Yes, via Intra-fund Conversion or Section 14 transfer | Yes, via Section 14 transfer | Yes, via Section 37 transfer |
| Tax | | | | |
| This is a guide. Please refer to current tax legislation and product rules for details, or consult a tax specialist. | | | | |
| Pre-retirement withdrawal tax | <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 |
| Tax on withdrawals at/post retirement | 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. |
| Tax within product | <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> |
| Tax considerations | <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> |

| PPS PROFIT-SHARE ACCOUNT | |
|--|---|
| Vested PPS Profit-Share Account | |
| Access | From the age 60, the profits PPS members have accumulated over the course of their PPS membership become accessible via the Vested PPS Profit-Share Account. |
| Lifestage | The Vested PPS Profit-Share Account provides members with a unique retirement asset. |
| Investment rationale | <p>The Vested PPS Profit-Share Account enables your clients to:</p> <ol style="list-style-type: none"> 1. reinvest their accumulated profit share to generate more capital growth 2. supplement and prolong their retirement savings by making withdrawals when necessary 3. continue sharing in PPS profits attributable to PPS investments 4. access withdrawals that are net of tax, where the tax reporting is not their responsibility 5. gain access to premium unit-trusts via the PPS Fund range . |
| Term | Until death |
| Profit sharing | 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 funds |
| Transactions | |
| Contributions | No additional investment contributions are allowed. |
| Withdrawals | Members have unrestricted access and can set up regular withdrawals to supplement retirement income or make partial and full withdrawals. |
| Transfers | 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. |
| Loans | Not allowed |
| Cessions | Not allowed |
| Switches | Yes |
| Tax | |
| This is a guide. Please refer to current tax legislation and product rules for details, or consult a tax specialist. | |
| Tax on withdrawals | 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. |
| Tax within product | 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%. |
| Vesting | 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 NON-PPS MEMBERS AND
FAMILIES OF GRADUATE PROFESSIONALS

AN OVERVIEW OF OUR OPN SOLUTION 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: - Have a marginal tax rate below 30% - Require access to their savings within 5 years - Do not require insolvency protection - Have utilised their tax-free exemption. | Investors who: - Have a marginal tax rate above 30% - Do not require access to their savings within 5 years - Are comfortable with limited insolvency protection | Investors who: - Are looking for a long-term tax efficient discretionary savings vehicle. - May require a non-regulation 28 alternative or supplement to a standard retirement savings vehicle. - Would like to generate tax-free growth on their investment after utilising their annual interest exemptions and exclusions on capital gains. - Do not require insolvency protection. | |
| 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: R36 000 Lifetime Contribution Limit: R500 000 |
| Recurring | R500 monthly | R500 monthly | R500 monthly** | |
| Ad hoc | R1 000 | R 5 000 | R1 000 | |
| Withdrawals, cessions and transfers | | | | |
| 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"> - Do not require access to their savings before age 55 - Are comfortable with the requirement to purchase post retirement income with at least 2/3rds of their investment proceeds - Seek tax benefits when saving towards retirement - Seek insolvency protection when saving towards retirement | Investors who: <ul style="list-style-type: none"> - Are comfortable that restrictions apply to a single pre-retirement withdrawal - Are willing to remain invested until age 55 - Seek tax benefits when preserving retirement savings - Preservation pension plan: Are comfortable with the requirement to purchase post retirement income with at least 2/3rds of their investment proceeds - Seek insolvency protection when saving towards retirement | Investors who: <ul style="list-style-type: none"> - Do not require a guaranteed income - Are comfortable with the requirement to draw an annual income between 2.5% and 17.5% of their investment value - Are comfortable to assume some investment risk to target further investment growth - Are comfortable to assume responsibility for managing their retirement savings |
| Term | Until retirement | Until retirement) | Until death |
| Regulation 28 | Yes | Yes | No (but advised) |
| Investment Minima - It is recommended that your client escalates their contribution to at least keep pace with inflation | | | |
| Lump sum | R10 000 | R50 000 | R100 000 |
| Recurring | R500 monthly | N/A | N/A |
| Ad hoc | R5 000 | N/A unless fund origin is the same | N/A |
| Withdrawals, cessions and transfers | | | |
| 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. - Full withdrawal can be taken if policy value is less than R125 000. |
| 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 |
| Tax | | | |
| This is a guide. Please refer to current tax legislation and product rules for details, or consult a tax specialist. | | | |
| Pre-retirement withdrawal tax | N/A | N/A | N/A. |
| Tax on withdrawal 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 you earn on your 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 R36 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. | | | |
| Pre-retirement withdrawal tax | <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 |
| Tax on withdrawals at/post retirement | 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. |
| Tax within product | <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> |
| Tax considerations | <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 |
| Investment Minima - It is recommended that investors escalate their contributions to at least keep pace with inflation | |
| Lump sum | R10 000 |
| Recurring | R500 monthly |
| Ad hoc | R5 000 |
| Withdrawals, cessions and transfers | |
| 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 |
| Tax | |
| 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. |

NOTES

[illegible]

NOTES

[illegible]

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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. 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