

# PRODUCT TERMS, CONDITIONS AND DECLARATIONS FOR THE PPS PERSONAL PENSION, OPN PERSONAL PENSION AND PPS RETIREMENT ANNUITY



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

T: 0860 777 468 (0860 PPS INV)  
E: [admin@ppsinvestments.co.za](mailto:admin@ppsinvestments.co.za)

W: [www.pps.co.za/invest](http://www.pps.co.za/invest)

## GLOSSARY

<b>Administrator</b>	Intembeko Investment Administrators Proprietary Limited.
<b>Capital Gains Tax (CGT)</b>	A tax which may be paid on profits realised when selling an asset.
<b>Cession</b>	Surrendering your right to the funds in your investment and assigning these to another person or entity either permanently or temporarily.
<b>Collective Investment Scheme (CIS)</b>	An investment vehicle that pools the money of many investors for an asset manager to invest on their behalf. The combined portfolio is divided into equal portions called "units", which are divided among participating investors based on the value of the contributions they've made to the overall portfolio (Also known as a "unit trust" or "fund").
<b>Collective Investments Schemes Control Act (CISCA)</b>	The Collective Investment Schemes Control Act 45 of 2002, which regulates and controls the establishment and administration of Collective Investment Schemes.
<b>Dividend Withholding Tax (DWT)</b>	A tax on shareholders (beneficial owners) when dividends are paid to them, and, under normal circumstances, is withheld from their dividend payment by a withholding agent (either the company paying the dividend or, where a regulated intermediary is involved, such as a collective investment scheme, by the latter) and paid to the South African Revenue Services.
<b>Discretionary Fund Manager</b>	A Discretionary Fund Manager is a FAIS Category II investment manager that invests on behalf of their clients through a variety of investment options.
<b>E-Signature</b>	An electronic signature as defined in terms of the Electronic Communications and Transactions Act 25 of 2002.
<b>Financial Advisory and Intermediary Services Act (FAIS)</b>	The Financial Advisory and Intermediary Services Act 37 of 2002, which applies to any advice given in relation to your investment.
<b>Financial Intelligence Centre Act (FICA)</b>	The Financial Intelligence Centre Act 38 of 2001 which requires PPS Investments to obtain certain information from you in order for us to verify who you are before we process your investment.
<b>Financial Sector Conduct Authority (FSCA)</b>	The regulatory body responsible for non-banking financial services industry in South Africa.
<b>FSP Licence</b>	A FAIS licence that allows a person or an entity to provide a financial product other than a financial instrument or who gives advice or offers an intermediary service as a regular part of its business.
<b>Fund</b>	<p><b>For the PPS Retirement Annuity: Professional Provident Society Retirement Annuity Fund</b> – FSCA registration number 12/8/404, SARS registration 18/20/04/030135 and this document applies to the non-underwritten section of the Fund in respect to Investment Options offered through PPS Investments.</p> <p><b>For the PPS Personal Pension and the OPN Personal Pension: PPS Personal Pension Retirement Annuity Fund</b> – FSCA registration number 12/8/37739, SARS registration 18/20/04/041988.</p>
<b>Fund Rules</b>	The rules of the Fund as approved by the FSCA, as may be amended from time to time. You may request a copy of the Fund Rules by contacting the PPS Investments Client Service Contact Centre.
<b>Income Distributions</b>	The income that is generated by the securities in a unit trust and is then paid to members. This income is added to each member's portfolio in proportion to the number of units they hold in the unit trust.
<b>Investment Options</b>	Unit trusts or Managed Share Portfolio managed by a Discretionary Fund Manager.
<b>Income Tax</b>	A tax levied by Government on personal income (or on business income) according to prescribed rates.
<b>Income Tax Act (ITA)</b>	The Income Tax Act 58 of 1962 which regulates taxation in South Africa.
<b>Interest Withholding Tax (IWT)</b>	IWT is a tax charged on interest paid (on or after 1 March 2015) by any person to or for the benefit of a foreign person (which includes individuals, companies, etc.) from a source within South Africa.
<b>Market Value</b>	The current price at which Investment Options may be bought or sold.
<b>Member</b>	A person who becomes entitled to a benefit in terms of the Fund rules.

## GLOSSARY

<b>Minimum Disclosure Document (MDD)</b>	A fact sheet disclosing key information about a Collective Investment Scheme portfolio.
<b>Multi-Manager Investment Options</b>	Refers to Investment Options that are managed by several unrelated investment managers.
<b>Net Investment Amount</b>	The Rand amount invested by you in your investment, less the applicable fees and charges.
<b>OTP</b>	A one-time password. It provides a mechanism for logging on to a network or service using a unique password that can only be used once, as the name suggests.
<b>Pension Funds Act</b>	The Pension Funds Act 24 of 1956 which is responsible for the regulation of pension funds.
<b>Phase-in</b>	The process by which a lump sum is split into several different portions to be gradually invested (as opposed to a once-off transaction). Investors who phase-in their investment seek to reduce the impact that an unexpected market decline may have on their capital. Thus, a decline shortly after investing would only affect a portion of the total investment capital, as opposed to impacting the overall sum.
<b>PPS Group</b>	PPS, its subsidiaries and Strategic Partners, collectively referred to as 'The PPS Group' includes but is not limited to: PPS Holdings Trust, PPS Insurance Company Limited, PPS Wealth Advisory (Pty) Ltd, PPS Short-Term Insurance Company Limited, Financial Solutions 4 Professionals (Pty) Ltd, PPS Investments (Pty) Ltd, PPS Investment Management (Pty) Ltd, PPS Investments Long-term Incentive Scheme Trust, PPS Healthcare Administrators (Pty) Ltd, PPS Insurance Company (Namibia) Limited, PPS Property Fund Trust, Plexus Properties (Pty) Ltd, Six Anerley Road (Pty) Ltd, PPS Foundation Trust, Professional Provident Society Retirement Annuity Fund, PPS Preservation Provident Fund, PPS Preservation Pension Fund, PPS Personal Pension Retirement Annuity Fund or their successor in title.
<b>PPS Investments (PPSI)</b>	Professional Provident Society Investments Propriety Limited (2005/029098/07), a licensed financial services provider (licence no. 39270), and who is the sponsor of the PPS Personal Pension Retirement Annuity Fund and who and who provides client services on behalf of the sponsor of the Professional Provident Society Retirement Annuity Fund.
<b>PPS Investments Website</b>	An online webpage that offers additional information about the PPS Investments range of investment products and funds ( <a href="http://www.pps.co.za/invest">www.pps.co.za/invest</a> ).
<b>PPS Investments Secure Online Services</b>	An online portal that allows clients and financial advisers to transact online from anywhere, and at any time ( <a href="http://www.ppsecure.co.za">www.ppsecure.co.za</a> ).
<b>PPS QuicklySign</b>	A web application used by the PPS Group that allows you to send documents for signature online.
<b>Regulation 28</b>	Regulation 28 of the Pension Funds Act.
<b>SARS</b>	The South African Revenue Service.
<b>Single-Manager Investment Options</b>	Refers to Investment Options which are managed by a single investment manager.
<b>Total Expense Ratio (TER)</b>	A measure of the total costs associated with managing and operating a unit trust fund. Total costs are expressed as a percentage of the total assets under management. The higher the TER percentage, the greater the overall cost to the investor.
<b>Transaction Cost (TC)</b>	The total costs incurred in buying and selling the underlying assets of your Investment Option(s).
<b>Trustees</b>	The Board of Trustees of the Fund, for the time being, as appointed in terms of the Pension Funds Act and the Fund Rules.
<b>USSD</b>	An "Unstructured Supplementary Service Data" a communications protocol used by GSM cellular telephones to communicate with the mobile network operator's computers.

## COMPONENT DEFINITIONS

<b>Retirement Component</b>	Consists of 2/3rds of your contributions and/or any transfers in from a similar component in other retirement funds from 1 September 2024, after initial costs are deducted and with investment return. If you are or were a member of a provident fund or provident preservation fund and were 55 years or older on 1 March 2021, then this does not apply to you unless you have elected to have retirement and savings components.
<b>Savings Component</b>	Consists of the once off seeding capital (10% of the market value in the retirement fund on 31 August 2024, subject to a maximum of R30 000) plus 1/3rd of your contributions and/or any transfers in from a similar component in other retirement funds from 1 September 2024, after initial costs are deducted and with investment return. This amount is reduced by any pre-retirement withdrawals that you make from the Savings Component. If you are or were a member of a provident fund or provident preservation fund and were 55 years or older on 1 March 2021, then this does not apply to you unless you have elected to have retirement and savings components.
<b>Vested Component (Annuitisation required)</b>	The market value in your retirement fund at 31 August 2024, with investment return. Annuitisation required means that at retirement you can take up to one third of this amount as a lump sum and the balance must be used to purchase an annuity.
<b>Vested (Annuitisation not required)</b>	This only applies if you were a member of a provident fund or provident preservation on 1 March 2021. If you were younger than 55 years on that date, the vested amount is equal to the market value in that fund on that date, with investment return. If you were 55 years or older on that date, the full market value in that fund is vested. Annuitisation not required means that at retirement this amount may be taken as a lump sum and the member does not have to purchase an annuity.

## PRODUCT SUITABILITY

The PPS Personal Pension, OPN Personal Pension and/or the PPS Retirement Annuity are suited to investors who are seeking a tax-efficient, long-term retirement savings vehicle.

The Funds may be suitable for you if you are comfortable with purchasing a post-retirement income with at least two-thirds of your retirement benefit.

You may not retire from the Fund before you reach the age of 55 years, and this encourages a dedicated savings approach and helps you work towards a financially secure retirement. By committing to remain invested for a set period, you can ensure that you stick to your retirement savings strategy.

While saving with discipline, you still have the flexibility to adapt to changes in your personal circumstances. You may increase, lower or even stop your debit order contributions and can make changes to your Investment Options as required, without incurring transaction or penalty fees.

In addition, you benefit from tax exemptions on capital gains, interest and dividends accrued within your investment, and you also have the opportunity to reduce your annual income tax liability.

## 1 FUND INFORMATION

### 1.1 When will I become a Member of the Fund?

You will become a Member of the Fund once your application and supporting documentation have been approved by the Fund, and your first contribution or the benefit from the transferring fund is received into the Fund's bank account.

### 1.2 When do I cease to be a Member of the Fund?

When the total value of your benefit is paid out (after fees and taxes) you will cease to be a Member of the Fund. This may occur on a full withdrawal, retirement, death or transfer to another retirement fund.

### 1.3 Who manages and administers the Fund?

The Fund is managed by a Board of Trustees, all of whom are independent of PPS Investments and the Administrator. The Trustees are required to exercise their fiduciary duties in terms of the Pension Funds Act and other legislation, and to act in the best interests of the Fund and its Members at all times. The Fund is administered by the Administrator who has been appointed by the Trustees and may change from time to time. The Administrator has been approved as a retirement funds administrator by the FSCA in terms of the Pension Funds Act.

### 1.4 What is the value of my benefit?

In calculating any benefit, your share of the assets in the Fund will be represented by the Market Value of your Investment Option(s) less any fees and charges. This amount will be reduced by any tax that may be payable. The value of your investment will increase or decrease as the Market Values of the underlying assets in your chosen Investment Option(s) fluctuate. The Fund does not provide any guarantees in relation to investment performance.

### 1.5 Who owns the investments in the Fund?

You are entitled to the payment of a benefit from the Fund in terms of the Fund Rules. You may select your Investment Option(s). However, the Fund owns all the underlying investments. You have no right to specific investments held by the Fund.

### 1.6 Are my benefits within the Fund protected against creditors?

Benefits in the Fund are protected in terms of the Pension Funds Act and cannot be attached by a Member's creditors in respect of any court judgement for debt, nor form part of the Member's insolvent estate should a Member be sequestered.

## 2 CONTRIBUTIONS

### 2.1 What are the minimum investment amounts?

Contributions can be made via initial or ad hoc lump sums, regular debit orders or a transfer a benefit from a pension fund, provident fund, preservation pension fund, preservation provident fund or retirement annuity fund.

- Lump sum: R10 000
- Recurring: R500 per month\*
- Ad hoc: R5 000

\*The minimum recurring debit order amount if you are under the age of 30 years is R200 per month, which should be escalated to the normal minimum of R500 per month after your 30<sup>th</sup> birthday. The minimum amount that can be invested in an available Investment Option is R200.

### 2.2 What is the minimum investment period?

There is no minimum investment period applicable as you choose your own investment period. You may retire from the Fund at any time from your 55<sup>th</sup> birthday. Refer to the Payment of Benefits section below regards early retirement options.

### 2.3 Can I phase in a lump sum?

Lump sum investments can be phased in over a period of time. You may phase in your lump sum investment over 3, 6 or 12 months. If you choose to phase in a lump sum, the full lump sum will initially be invested into the PPS Enhanced Yield Fund and will be phased into your selected Investment Option(s).

### 2.4 When I deposit monies, will I receive interest before it is invested?

Bank interest is payable by the Fund on all the deposits into the Fund's bank account if it takes longer than one day to process your application and invest the money into your Investment Option(s).

### 2.5 When will my monies be collected if I choose to invest using the electronic collection method?

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 business day after the last debit is received.

### 2.6 How are my Contributions allocated to my components?

Two-thirds of your debit order or lump sum contributions will be allocated to your Retirement Component and one-third will be allocated to your Savings Component. When transferring your benefit to or from another retirement fund, all records of vested benefits and component allocations are maintained and transferred to or from the transferee fund.

## 3 INVESTMENT OPTIONS

### 3.1 What are the available Investment Options?

You have access to a premium selection of PPS Multi-Manager Investment Options and a refined list of Single-Manager Investment Options. In addition, you may select the PPS Managed Share Portfolio, which may be subject to a minimum investment amount. The PPS Managed Share Portfolio provides access to securities listed on the Johannesburg Stock Exchange (JSE) and other foreign exchanges. You may access the Investment Option information via the PPS Investments website ([www.pps.co.za/invest](http://www.pps.co.za/invest)). These Investment Options may change from time to time.

### 3.2 What is Regulation 28?

The Fund requires that your Investment Option(s) adheres to the asset limits of Regulation 28 and with the South African Reserve Bank Exchange Control legislation. You are allowed a maximum exposure of 75% of the investment amount in equity assets, 25% in property assets and 45% in offshore assets, meaning that managers can invest up to 45% of the portfolios' market value globally.

Your Investment Option(s) will be monitored for Regulation 28 compliance on an ongoing basis. If you have exceeded any limits due to market fluctuations, a notification will be communicated to you quarterly requesting you to make a switch of units between the Investment Options to bring the investment within the asset limits. Should your total investment in the Fund exceed any of the Regulation 28 limits for three successive quarters, the Fund will rebalance your investment accordingly as they are obliged to in terms of Regulation 28. This means that if you do not make a switch by the fourth quarter, the Fund will make a switch between the Investment Options to bring the investment within the asset limits.

## 4 SWITCHES

### 4.1 Can I switch between Investment Options, and how?

You can switch between Investment Options as often as you choose without incurring a transaction fee. However, should the portfolio manager of your chosen Investment Option(s) charge an initial fee for investing into its unit trust funds, this fee would be applied to your investment. In other words, you can switch between available Investment Options, subject to the requirements and conditions that the Fund or the asset manager of the relevant Investment Options may apply.

To switch Investment Options you must complete a switch form (available on the PPS Investments website) and submit it with any required supporting documentation to us.

### 4.2 Can I switch between the Original and Select Fund Ranges?

PPS Investments currently offers two ranges of Investment Options, namely the Original Fund Range (available prior to 1 October 2014) and the Select Fund Range (available post 1 October 2014). Existing Members invested in the Original Fund Range can continue to access the Investment Options listed in the Original Fund Range Investment Option schedule. This range is however closed to all new investments. New investments will only be made into the Select Fund Range and the Investment Options are set out in the Select Fund Range Investment Option schedule. You will not be allowed to combine Investment Options from the Select and the Original Fund Ranges.

### 4.3 Can my Investment Options differ between my components?

Investment Options must be the same across all components.

## 5 PAYMENT OF BENEFITS

### 5.1 Can I retire or withdraw from the Fund before the age of 55?

You may only withdraw from the Fund before the age of 55 years if:

- The total investment value of your Fund is less than/equal to R15 000 or
- You have not been a resident for tax purposes (as defined in the Income Tax Act) for an uninterrupted period of three or more years on or after 1 March 2021, or
- You have submitted an application to emigrate to the South African Reserve Bank on or before 28 February 2021, and that application has been approved on or before 28 February 2022, or
- You are a non-resident who has left South Africa because your working or visiting visa has expired.

You may not retire from the Fund before your 55<sup>th</sup> birthday unless it is on the basis of becoming permanently incapable of carrying on your occupation due to sickness, accident, injury or incapacity through infirmity of mind or body. The claim for early retirement must be supported by medical evidence as requested by the Trustees and provided by you at your own cost. The lump sum that may be paid out upon early retirement is the same as for normal retirement, as explained in section 5.2.

You may, once per tax year, withdraw an amount (minimum R2000) from your Savings Component. This withdrawal will be subject to your marginal tax rate.

### 5.2 What benefits are paid at retirement?

At retirement you can elect to receive a portion of the benefit as a lump sum payment. The amount of the lump sum will be limited to:

- The balance in the Savings Component, plus
- One third of the amount in the Vested Component (Annuitisation required) plus
- The full amount in the Vested Component (Annuitisation not required), if this is applicable to you.

The remaining balance in the Fund must be used to purchase an annuity. If the total value of the Retirement Component plus 2/3<sup>ds</sup> of the value of the Vested Component (Annuitisation required) is less than R165 000, then the full investment amount in the Fund may be paid as a lump sum.

### 5.3 Is there a tax implication when my benefits are paid?

We will apply for a tax directive from SARS for any withdrawal or retirement lump sum benefit, and any tax payable (Provisional and/or IT88) will be deducted prior to payment. Once we receive your retirement or withdrawal instruction and all required documents, we will apply for a tax directive from SARS. The tax directive may not be altered or cancelled and your instruction cannot be retracted.

We will disinvest the units in your investment and invest them into the Benefit Clearing Account, which is a money market unit trust portfolio, to ensure there is no market value loss whilst we facilitate obtaining a tax directive from SARS. Any tax payable will be deducted prior to the payment of the benefit and paid to SARS.

In the case of a death claim, once we receive the death certificate, we will disinvest the units in your Investment Option(s) and invest the proceeds into the Benefit Clearing Account, which is a money market unit trust portfolio, to ensure there is no market value loss while the claim is being investigated by the Trustees. Once the Trustees have determined who the beneficiaries are, and once the beneficiaries have provided us with the required documents to process the payment, we will apply for a tax directive from SARS. We can provide you with a tax simulation quote if requested. This will provide you with an estimate of the tax that will be levied by SARS on your withdrawal/retirement lump sum benefit. Please note the outcome may differ from the results when the actual tax directive request is submitted to SARS and the Fund cannot accept liability for any discrepancies.

A pre-retirement withdrawal from your Savings Component will be taxed at your marginal tax rate. To calculate the tax payable on your withdrawal from the Savings Component, SARS will use the higher taxable income amount, whether it's the amount you provided or the one they currently have on record.

- 5.4 Foreign payments made between Eswantini, Lesotho, Namibia and South Africa will be subject to additional requirements.
- 5.5 Please note that all payments will be made electronically, and that the Fund will not make payments to credit cards, loan accounts market-linked accounts, or third-party bank accounts. Payment will only be made to a transactional bank account in the name of the member or beneficiary.

## 6 CESSIONS, COOLING OFF, LOANS AND TRANSFERS

- 6.1 **Are cessions allowed?**  
You may not cede, assign, pledge as security or surrender for cash any benefits, any rights to any benefits or any share of the assets of the Fund represented by the value of your Investment Option(s).
- 6.2 **Is there a cooling-off period should I change my mind about the Fund?**  
There is no cooling-off period allowed. You may not ask for a refund or cancel your membership once you have become a Member of the Fund. You may only transfer to another retirement fund or take a full withdrawal if the Fund Rules permit it.
- 6.3 **Can I take a loan from the Fund?**  
You cannot borrow from the Fund.
- 6.4 **Can I transfer the benefit to another retirement fund?**  
You can transfer your benefit to an approved retirement annuity fund, subject to the requirements of the rules of that retirement fund. This is known as a Section 14 transfer can take up to 180 days to be completed.
- 6.5 **Will I retain my vested rights and components if I transfer my benefit to another retirement fund?**  
Yes, when transferring your benefit to another retirement fund, all records of vested benefits and non-vested benefits as well as current component allocations are maintained and transferred to the transferee fund.
- 6.6 **Can I do a partial transfer?**  
If you wish to do a partial transfer to another retirement annuity fund, the value of the investment contracts/policies being transferred must exceed R371 250 and the value of the investment contracts/policies remaining in the Fund must also exceed R371 250. There is no value limit if you wish to transfer the full investment value to another fund.

## 7 TIMELINES AND ADMINISTRATION

- 7.1 **How long will it take for my transaction to be processed?**  
Subject to the receipt of a valid instruction and all supporting documents before the daily cut-off time of **14:00**:

7.1.1 New business/additional contributions

**Note:** 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.

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

7.1.2 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

### 7.1.3 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

### 7.1.4 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

### Withdrawals - Step 2 (Withdrawal transaction)

Tax directive requested	Tax directive received	Withdrawal processed	Sale of units in clearing account	Transaction finalised	Money available in bank account
Day 5	Day 6	Day 6	Day 7	Day 8 at price of day 7	Day 9

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

**Kindly note that units bought with a recurring or once off collection can only be sold 28 business days after the investment date.**

### 7.2 Delays in processing instructions

Whilst the Fund will at all times try to adhere to the timelines outlined above neither the Administrator, PPS Investments nor the Fund accepts responsibility for delays in processing instructions as a result of extraordinary events.

### 7.3 How are income distributions dealt with?

All income distributions are reinvested automatically.

## 8 REPORTING AND ONLINE ACCESS

### 8.1 Can I transact and view my investments online?

PPS Investments' Secure Online Services allows you to transact online for certain transactions. You may also access information about your investment, instructions we have received for your investment, your investment performance and your investment asset class exposure, among others. Should you not have a Secure Online Services account you may complete the online self-registration process on our website and an online account will be activated for you. You can also use the PPS App to manage your investment, view balances, transact and download tax certificates.

### 8.2 Will I receive confirmation of my transaction?

Confirmation of your transaction will be sent to you once your investment has been processed. Statements will be sent to you at regular intervals, not exceeding three months. Copies of statements are available to you on request from the PPS Investments Client Service Centre on 0860 777 468 (0860 PPS INV). Alternatively, you can register to view them on PPS Investments Secure Online Services, accessible from the PPS Investments website.

### 8.3 Will my financial adviser receive confirmation of my transaction?

If you have appointed a financial adviser, the Fund will send your investment confirmation document to your financial adviser listed in the financial adviser details section of the Fund application form. All documentation in relation to the Fund will be made available to your appointed financial adviser on their request.

## 9 TAX AND MY RETIREMENT ANNUITY

### 9.1 What tax will I pay on my Retirement Annuity?

Your benefits at retirement, death or withdrawal will be taxable according to the Income Tax Act. You may qualify for some tax-free amounts, which will be determined by [SARS](#).

9.2 The returns generated by your investment are exempt from South African taxes such as capital gains and dividend withholding tax. Foreign taxes may be applicable on foreign instruments.

### 9.3 What are the tax benefits?

Your contributions made to the Fund are tax deductible. You may deduct up to 27.5% of your remuneration or taxable income (whichever is the greater) in respect of your total contributions to your retirement annuity funds, pension fund and/or provident fund, subject to an annual tax deduction limit of R350 000. Any contributions exceeding the annual limit may be carried forward to the next tax year and are deemed to be contributed in that year. Any unclaimed contributions may be applied to reduce the taxable amount of a lump sum taken at withdrawal, retirement or death, and may also reduce the taxable amount of the annuity income upon retirement.

Tax certificates will be provided for any contributions made to the Fund as well as for any benefit payments made.



**10.1 What fees are applicable to my investment?**

There are typically three fee categories:

- **Financial advice fees:** If you have appointed a financial adviser you may have agreed to initial and/or annual fees (as indicated on the application or amendment form). Initial fees are deducted from the investment amount prior to investment. Annual fees are deducted through the sale of units in your Investment Option(s) and paid to your adviser monthly in arrears. The fee is calculated and accrued daily.
- **Administration fees:** These fees are payable for administration services provided by the Fund. No initial administration or transaction fees are charged. The applicable annual administration fee is determined by the fund range you have selected (Original or Select). Annual fees are deducted through the sale of units in your Investment Option(s) and paid monthly in arrears. The PPS Investments client-based charging model reduces ongoing administration fees based on the total amount of assets you have invested with them (across all the products you have invested in).
- **Asset management fees:** Initial fees and annual asset management fees on the underlying Investment Option(s) selected will be charged by each management company. There are also other allowable expenses associated with the Investment Options. These fees and charges are deducted within the Investment Options and are therefore not deducted in units, and are instead accounted for in the published performance of the Investment Option. These fees are indicated on the relevant Minimum Disclosure Document (MDD) available on the PPS Investments website.

All fees are paid by a proportional disinvestment from each Investment Option or a specific Investment Option, depending on the instruction you have given on your completed application or transaction form. Fees and charges may change from time to time and you will be notified of such a change.

**10.2 What is the maximum annual administration fee if I am invested in the Original Fund Range?**

The maximum annual administration fee is 0.70% per annum (excluding VAT).

**10.3 How is my annual administration fee calculated if I am invested in the Original Fund Range?**

The PPS Investments client-based charging model reduces ongoing administration fees based on the total amount of assets you have invested across all products. It is calculated on the daily Market Value of the investment portfolio and will be charged and paid monthly in arrears. This fee will be charged at the level of your Investment Option(s) and will be reduced in accordance with the sliding scale below:

- On the first R500 000: 0.70% (excluding VAT)
- R500 001 - R1 500 000: 0.50% (excluding VAT)
- R1 500 001 - R2 500 000: 0.45% (excluding VAT)
- Thereafter: 0.40% (excluding VAT)

Investments in the PPS Enhanced Yield Fund and Coronation Money Market Fund are excluded from the investment amount when applying the above sliding scale. An annual platform administration charge of 0.40% (excluding VAT) is charged on investments in the PPS Enhanced Yield Fund and 0.47% (excluding VAT) is charged on investments in the Coronation Money Market Fund.

Please refer to the Original Fund Range Investment Option schedule available on the PPS Investments Secure Online Services, accessible from the PPS Investments website to find out more.

**10.4 What is the maximum annual administration fee if I am invested in the Select Fund Range?**

The maximum annual administrative fee is 0.50% per annum (excluding VAT).

**10.5 How is my annual administration fee calculated if I am invested in the Select Fund Range?**

It is calculated on the daily Market Value of the investment portfolio and will be charged and paid monthly in arrears.

This fee will be charged at the level of your Investment Option(s) and will be reduced according to the sliding scale below:

- First R1 500 000: 0.50% (excluding VAT)
- Next R3 500 000: 0.20% (excluding VAT)
- Thereafter: 0.10% (excluding VAT)

Investments in the PPS Enhanced Yield Fund and Coronation Money Market Fund are excluded from the investment amount when applying the above sliding scale. An annual platform administration charge of 0.40% (excluding VAT) is charged on investments in the PPS Enhanced Yield Fund and Coronation Money Market Fund.

Please refer to the Select Fund Range Investment Option schedule available on our website to find out more.

**10.6 What fees are applicable should I select the PPS Managed Share Portfolio Investment Option?**

In addition to the administration fee referred to in sections 10.2 and 10.4 above, an administration fee of 0.15% (excluding VAT) is applicable to the PPS Managed Share Portfolio Investment Option. Basic brokerage and VAT charges (where applicable) are payable on all transactions, as well as any other charges which may be imposed, from time to time, by the JSE or foreign exchange. A portfolio management fee is applicable to the PPS Managed Share Portfolio Investment Option. Please refer to the PPS Managed Share Portfolio investment application form for all applicable portfolio management fees.

**10.7 What fees are applicable should I select the PPS Discretionary Fund Management Investment Option?**

A Discretionary Fund Management Fee applies to selected Investment Options. The fee charged is in-line with the discretionary mandate signed.

## 11 BENEFICIARIES AND PROCEEDS ON DEATH

### 11.1 What happens to my benefit in the event of my death?

The Pension Funds Act requires the Trustees to determine who your dependants are, and to pay the benefit in proportions that they deem fair and equitable. This process may take up to 12 months. The beneficiaries have the option to purchase a compulsory annuity, take a lump sum or a combination of both.

### 11.2 What nominations will I be asked to make?

You may nominate one or more beneficiaries to receive the death benefit, by submitting a written and signed instruction to the Fund. Although the Trustees are not bound by your nomination, it will assist the Trustees in applying their discretion and it is highly recommended. You cannot specify how your death benefit should be allocated in your Will, as retirement fund benefits do not form part of your estate. You should keep your nomination up to date and you may only nominate natural persons to receive a benefit. You may stipulate that payment be made to a trust for the benefit of the beneficiary. Please do not nominate your estate as a beneficiary as the Trustees are unable to pay the benefit into the estate if there are dependants or nominees who are natural persons.

### 11.3 Can I change my beneficiaries?

You may change your nominated beneficiaries as and when required by written and signed instruction to the Fund in the prescribed form, which must be received by the Fund before your death.

## 12 UNCLAIMED BENEFITS

### 12.1 What happens to unclaimed benefits?

In terms of the Pension Funds Act, any benefit that is not paid within 24 months of it becoming due and payable is regarded as an unclaimed benefit. The benefit will be invested in the PPS Enhanced Yield Fund until the benefit is claimed.

The Fund, Administrator and PPS Investments may share all personal and contact information with any third party, or obtain any contact and personal information from any third party, in order to facilitate tracing in respect of any unclaimed benefits.

In terms of the Fund Rules, tracing costs may be deducted from the benefit.

## 13 YOUR ROLE

Notwithstanding the information shared above, there are some additional rights and responsibilities to take note of:

### 13.1 We recommend that you seek financial advice.

We always recommend seeking financial advice when making investment decisions. A financial adviser should be able to help you make investment choices that are suited to your needs and circumstances. They should also help you ensure that you are fully informed of all fees you need to pay. If you do not have a financial adviser, the responsibility lies with you, as the Member, to make sure that all fees payable are understood.

The financial adviser is responsible for ensuring that you receive an appropriate needs analysis, advice, and product and fee information, including changes in administrative processes and that you fully understand these. Where you have appointed a financial adviser, it is the responsibility of your financial adviser to act within the conditions of his or her relevant FSP licence. PPS Investments, the Administrator and the Fund cannot be held responsible or liable for any loss or damage you may incur as a result of the financial adviser acting outside the licence conditions.

### 13.2 The risk and responsibility to choose an appropriate investment lie with you.

The information provided to you by PPS Investments or the Fund, whether written, oral or implied, does not constitute advice or a recommendation to enter into any of the PPS Investments products or Investment Options.

All information and explanations relating to these Product Terms, Conditions and Declarations are not to be considered advice or recommendations to enter into any transaction. Information that we share about our offerings is not an endorsement and the risk and responsibility for the selection of your Investment Option(s) lie with you.

Neither the Administrator, PPS Investments nor the Fund provides any guarantees in relation to any investment performance. The value of the investment portfolio will fluctuate relative to the Market Values of the underlying assets comprising the selected investment portfolio. Investment Options are generally medium- to long-term investments. The value of your Investment Option(s) may go down as well as up and past performance of the underlying assets within your Investment Option(s) is not necessarily a guide to future performance.

### 13.3 Any risks associated with the communication method you choose to submit instructions lie with you.

The Fund will accept your instruction by facsimile or email. You waive any claim that you may have against us as you hold the risk of the communication method you have selected. The Fund will not be liable if we do not receive a communication whether due to the failure, malfunction or delay of any networks or electronic or mechanical device or otherwise.

### 13.4 You are entitled to the information a Collective Investment Scheme is legally obliged to disclose.

As a Member, you are entitled to any information that the law requires a Collective Investment Scheme to disclose. The Fund is obliged to obtain and transmit such information if the Member requests it.

### 13.5 Reporting of errors

You should within 14 days after receipt of investment confirmation or any statement report any errors to the Fund.

### 13.6 You are responsible to ensure your personal information on our system is correct.

As a Member, you are responsible to ensure that your personal and contact particulars, as reflected on the latest Investment Summary issued by the Fund, are correct. If this is not the case, or in the event that your personal and/or contact particulars change, it is your responsibility to inform us timeously in writing of the new details. The Fund will not accept any responsibility for any loss, damages or inconvenience you incur, howsoever caused, as a direct or an indirect result of incorrect personal and/or contact particulars supplied to us.



## 14 THE ROLE OF THE ADMINISTRATOR AND THE FUND

- 14.1 We are authorised to invest your net investment amount and reinvest all income distributions.**  
You hereby authorise us to invest your net investment amount into your chosen Investment Option(s) from time to time. All income arising from the Investment Option(s) from time to time (which will be regarded as forming part of your selected products) will be reinvested.
- 14.2 Investments are made subject to the provisions of CISCA, where applicable.**  
Investments in the selected Investment Option(s) are made and will be administered subject to the provisions of CISCA, in accordance with the deeds of such Collective Investment Scheme and subject to each management company's fee structure as amended from time to time.
- 14.3 We are authorised to verify your information.**  
You hereby consent to us making enquiries of any nature, if necessary, to verify the information disclosed in the application. You also consent to us obtaining any other information concerning you from any source whatsoever to process your application.
- 14.4 We will not be held liable to Members or third parties for losses sustained.**  
Provided that we exercise reasonable care and diligence in the management and administration of your investment, we will not be liable to you or a third party for any loss you may have sustained in terms of your investment.
- 14.5 We may amend terms and conditions from time to time.**  
We may amend the terms and conditions of any of our products provided that those changes don't negatively affect any associated right or benefit that you may have accrued. We will give you appropriate and reasonable notice of any proposed changes.
- 14.6 We may change relevant Investment Options.**  
With appropriate notice to you, the Fund may change or remove any of the relevant Investment Options offered from time to time. You will be asked for switch instructions should an Investment Option be removed from the PPS Investments offering. In the absence of any instruction, from you, within the required time period, the Fund will effect a switch to a similar portfolio, where available.

## 15 THE AGREEMENT

By signing the application form, you acknowledge and confirm the following:

- 15.1** You have read and understood the Product Terms, Conditions and Declarations.
- 15.2** You have read and understood the Minimum Disclosure Documents (MDDs) of your chosen Investment Option(s). This includes, but is not limited to, the Total Expense Ratio (TER) and Transaction Cost (TC) applicable to your Investment Options. The MDDs are available on the PPS Investments website.
- 15.3** You are the beneficial owner of any transfer(s) made to the Fund. You are duly and validly authorised to invest the transfer amount with the Fund and confirm that all such transfers were obtained from legitimate sources.
- 15.4** In making and maintaining such investment, you have complied and will continue to comply with all relevant legislation, including, but not limited to, FICA and the Income Tax Act. You confirm that, in the event that you are acting on behalf of a Member, you are duly authorised to conclude this transaction on behalf of such Member.
- 15.5** You agree that PPS Investments may, upon receipt of my application form, request you to submit such further documents and information as PPS Investments may, in its sole discretion, require in order to meet their obligations in terms of the Financial Intelligence Centre Act. This will include, but may not necessarily be limited to, source of funds or source of wealth.
- 15.6** All the statements given in the application form and in all documents which have been or will be signed by you in connection with the application, whether in your handwriting or not, are true and correct. These statements will form the basis of your investment with the Fund.
- 15.7** You authorise PPS Investments, the Fund and the Administrator and its assignees to disclose any information within PPS Investments, its holding companies, subsidiaries, affiliates, or to other persons, provided that such disclosure is deemed necessary to properly manage or service your investment.
- 15.8** You understand and agree to be bound by the provisions of the application. If on the date of signature of the application an updated application exists and fees and Product Terms, Conditions and Declarations differ, the updated application form, fees and Product Terms, Conditions and Declarations will apply.
- 15.9** You understand that PPS Group, PPS Investments, its subsidiaries and affiliates collect and processes your personal information, as defined in the Protection of Personal Information Act of 2013 ('POPI'), for purposes of opening and administering your financial products. You hereby consent to PPS Group, PPS Investments, its subsidiaries and affiliates processing your personal information which may include sharing such information within the PPS Group, its subsidiaries and contracted service providers for the purposes of assessing and improving products and services, obtaining and maintaining any record relating to your PPS membership as well as efficient client servicing.
- 15.10** You understand that PPS Group may also process my personal information in order to protect or pursue you, the PPS Group's, or a third party's legitimate interests, including offering solutions and products that best meet your needs.
- 15.11** You agree that your personal information may be verified for security purposes and consent to PPS Group, PPS Investments its subsidiaries and affiliates sharing your personal information with such third-party service providers for the purposes of storing and maintaining your personal information as may be required.
- 15.12** PPS Group shall accept electronic data attached to, incorporated in, or logically associated with other data, which is intended by you to serve as your original signature and acceptance in accordance with the provisions of Electronic Communications and Transactions Act of 2002 ('ECTA').

- 15.13** PPS Group maintains a list of its approved electronic signature methods as detailed in the PPS Group Electronic Transactions Standard, which includes the use of OTP, USSD, or PPS QuicklySign.
- 15.14** You understand and acknowledge that the use of any other electronic signature(s) methods other than those approved by the PPS Group will be subject to additional controls or scrutiny.

## 16 DETAILS OF THE FUND

### Complaints procedure

#### Principal Officer

If you are not satisfied with this investment or the services from the Fund, a written complaint can be submitted to the Principal Officer using the contact details below. The Fund must respond to your complaint within 30 days.

PPS Personal Pension Retirement Annuity Fund/PPS Retirement Annuity Fund  
PO Box 44507  
Claremont  
7735

Tel: 0860 468 777 (0860 INV PPS)  
Fax: 021 680 3680  
Website: [www.pps.co.za/invest](http://www.pps.co.za/invest)  
E-mail: [clientservices@ppsinvestments.co.za](mailto:clientservices@ppsinvestments.co.za)

If you are not satisfied with the response from the Fund, or if you have received no response within 30 days, you have the right to lodge a written complaint with the Pension Funds Adjudicator.

#### The Pension Funds Adjudicator's contact details

The Pension Funds Adjudicator  
PO Box 580  
Menlyn  
0063

Tel: 012 346 1738  
Fax: 086 693 7472  
Website: [www.pfa.org.za](http://www.pfa.org.za)  
E-mail: [enquiries@pfa.org.za](mailto:enquiries@pfa.org.za)

If you have a complaint about the advice given by your financial adviser, you have the right to address your complaint in writing to the Ombud for Financial Services Providers.

#### The Ombud for Financial Services Providers

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

Telephone: +27 12 762 5000 / +27 12 492 9711 / 0860 066 3274  
Facsimile: +27 86 546 5694 / +27 12 348 3447  
E-mail: [info@faisombud.co.za](mailto:info@faisombud.co.za)  
Website: [www.faisombud.co.za](http://www.faisombud.co.za)

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

#### Fund Investment Policy Statement

"The Fund has an Investment Policy Statement, that the Trustees review and adopt on a regular basis. A copy of the Investment Policy Statement may be found on the PPS Investments website or can be sent to you if you contact the PPS Investments Client Service Contact Centre."

PPS Investments (Pty) Ltd, PPS Multi-Managers (Pty) Ltd and PPS Investment Administrators (Pty) Ltd are licensed financial services providers. PPS Management Company (RF) (Pty) Ltd is a licensed collective investment scheme manager. PPS Nominees (Pty) Ltd is an independent nominee company approved by the Financial Sector Conduct Authority.

PPS House, Boundary Terraces, 1 Mariendahl Lane, Newlands, 7700