



Family pricing

Funds



What is it?

Family pricing involves calculating platform administration fees on the aggregated value of the assets of a family unit. It is designed to benefit individuals and entities who have a collective advice plan for their family unit.

Who is included?

The guiding principle is to include family members and associated entities that form part of the collective advice plan for the family unit. The following family members and associated entities may be included as part of a family unit:

- Spouse
- Siblings
- Children (regardless of the age of majority)
- Parents
- Grandparents
- Grandchildren
- Family trusts
- Family-owned companies





What are the benefits?

Family pricing supports the advice process during periods of inter-generational wealth transfer or when executing financial advice plans through more complex structures, such as trusts and companies. Family pricing also helps make an adviser's office more efficient by:

- encouraging aggregation of all family assets onto a single platform,
- providing a cost benefit to clients when aggregating family assets, and
- supporting adviser offices in growing their client bases by making it attractive for additional family members and/or entities to be included in an existing advice plan.

How does it work?

Family pricing involves applying the existing PSG Wealth platform fee scales to the aggregated value of the assets of a family unit. Since the PSG Wealth platform fee scales are tiered the aggregation of assets may provide a cost benefit to clients.

As a reminder, the fee scale is shown below.

Sliding fee scale (incl. VAT where applicable)		
Investment value	PSG funds	Non-PSG funds
First R1.5m*	0.35%	0.46%
Next R4.5m	0.23%	0.23%
Above R6.0m	0.115%	0.115%

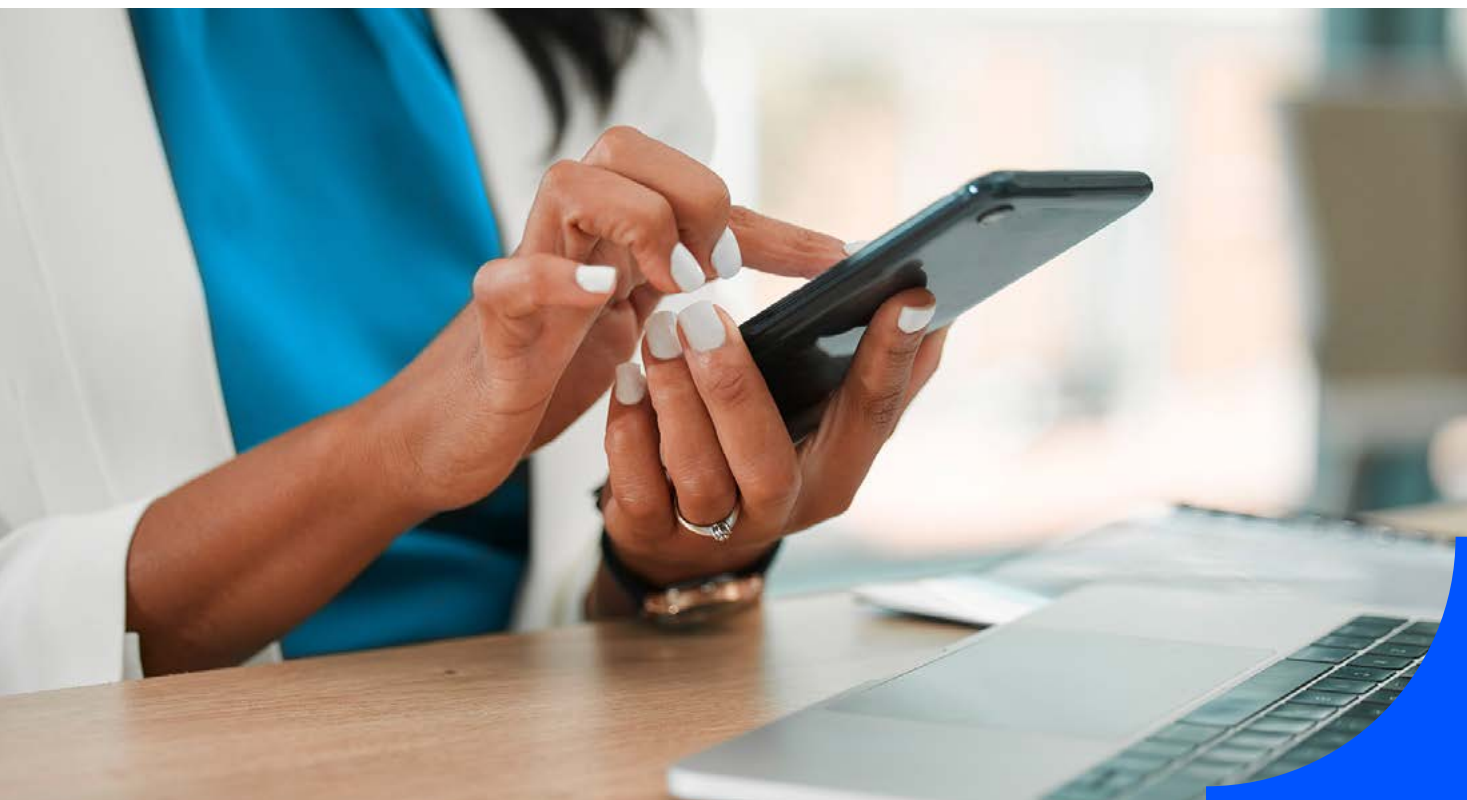
* Note that a minimum fee of 1.15% (incl. VAT where applicable) only applies to investment amounts with an aggregated value of below R50 000, regardless of the underlying fund investment.

The application of family fees is best demonstrated by way of an example, as shown below.

Family group entity	Investment value (rands)	Annual contract fee (applying the fee scale to each individual investment)	Average annual fee across all contracts if family pricing is not applied	Average annual fee after applying family pricing	Savings in fees
Husband	5 000 000	0.27%	0.21%	0.14%	0.07%
Wife	3 000 000	0.29%			
Child 1	30 000	1.15%			
Child 2	20 000	1.15%			
Trust	10 000 000	0.20%			
Company	15 000 000	0.17%			
Total (rands)	33 050 000	68 725	68 725	46 708	22 018

The example assumes 100% investment in PSG funds. Note, however, that PSG funds, non-PSG funds and PSPs will be aggregated separately across family members' contracts when applying family pricing.

Once family pricing is applied, the PSG Wealth platform will continue with its existing practice of accruing fees daily and deducting fees monthly. The key change is that the daily accrual will be based on the aggregated value of a family's assets once family pricing is applied.



How do I activate family pricing?

Family pricing will only be applied once the family unit has been agreed upon between an adviser and all members of the family unit and once the adviser has formally confirmed the composition of the family unit with the PSG Wealth platform.

To activate family pricing, advisers must notify the PSG Wealth platform of the family grouping by completing and submitting [this form](#) or via a bulk notification process, as supported by your investment specialist.

If there is a need to deactivate family pricing, this must be done by notifying the PSG Wealth platform by submitting the same form used to activate family pricing.

If different advisers support different members of a family, the family pricing process allows for aggregation across the assets within such a family unit. However, advisers will need to agree amongst each other who will notify the PSG Wealth platform of the family unit.

What conditions apply?

In addition to the activation requirements mentioned above, note that the application of family aggregation is subject to the PSG Wealth platform's discretion, and we reserve the right to decline aggregation under certain circumstances. In particular, contracts must form part of the advised family unit's group of portfolios to qualify for family fee aggregation.

Family pricing is only available to clients of PSG Wealth advisers.

For further details on conditions that may apply, please refer to the [Family pricing FAQ document](#).



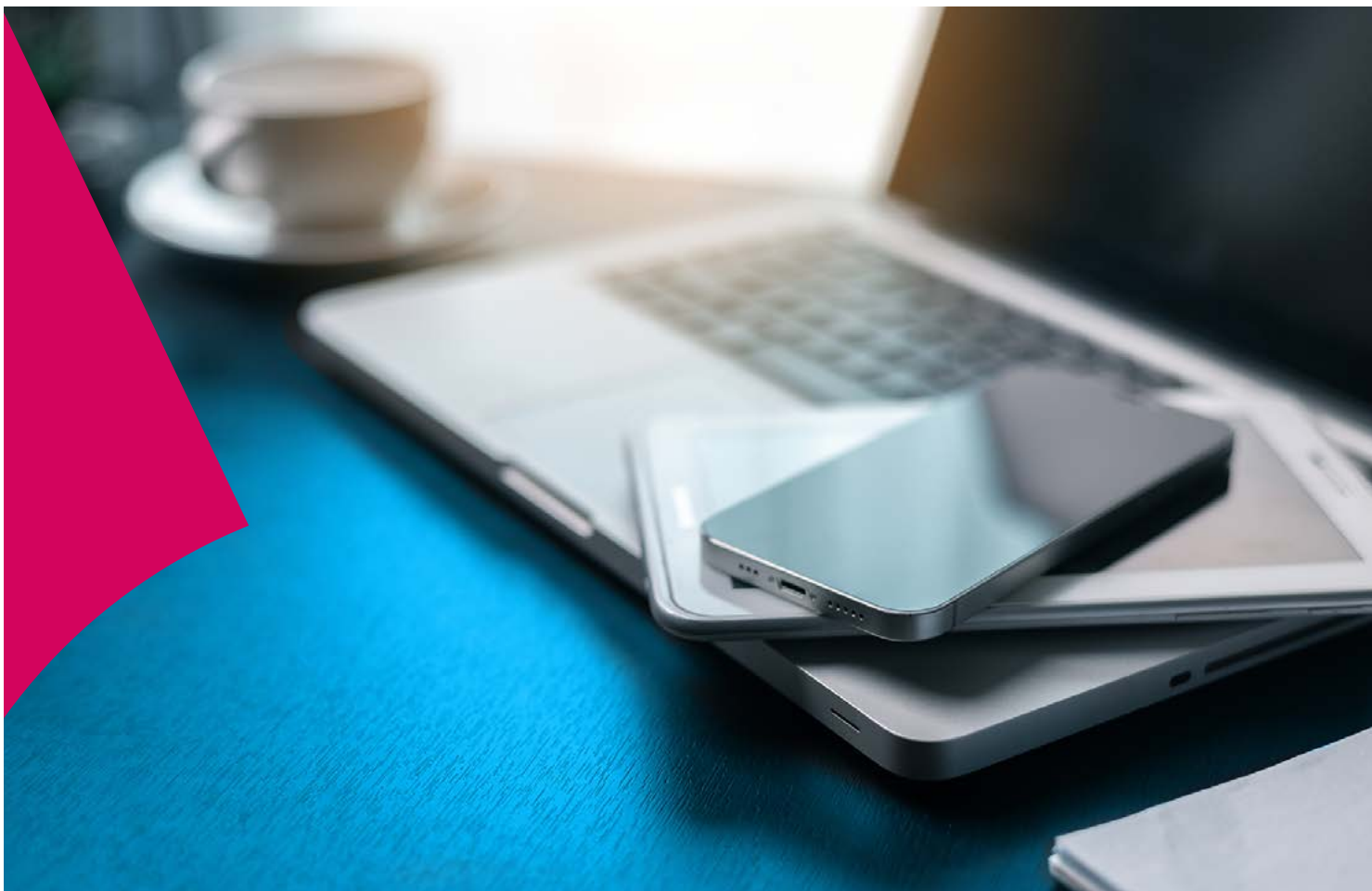
A note on scenarios where family pricing will not apply

The PSG Wealth platform provides competitive fees for existing special arrangements. For this reason, as well as for practical considerations, family aggregation will not apply in the following circumstances:

- Contracts that were transferred to the PSG Wealth platform from PSG Asset Management as part of the “BASS transfer” initiative. This is because the amount transferred already enjoys a platform fee of zero percent.
- Contracts that are invested in the P classes of the PSG funds, where cash was sourced from an Investec Corporate Cash Manager account. These contracts continue to attract a highly competitive platform administration fee of 0.10%.

In conclusion, family pricing is a highly beneficial offering that supports advisers in providing comprehensive services to their clients. It facilitates a more efficient transfer of wealth between generations, helps advisers to grow their client bases, and supports improvements in office efficiency.

For more information, please speak to your PSG Wealth Investment Specialist, who is available to equip you with the information you need to help you build a scalable and efficient practice.





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