

Dear Advisor

July 2011

**COMMISSION AND RISK MANAGEMENT FEES ON SECTION 14 TRANSFERS**

Section 14(7) of the Pension Funds Act (24 of 1956) prohibits the payment of fees or commissions of any nature on transfer of a member's interest from one insurer to another. PSG Asset Management Administration Services Limited ("PSG AMAS") may therefore not pay a financial advisor initial commission on a transfer in terms of section 14 (a "section 14 transfer".)

In terms of Section 14(7)(b)(ii) an ongoing fee may only be paid on the transferred interest (retirement annuity) if such fee is annually negotiated and agreed to in writing by the member. PSG AMAS, as product supplier, will assume that the same fee is renegotiated annually and will continue to pay the financial advisor the risk management fee stipulated in the PSG AMAS application form, until such time as instructed otherwise. It remains the responsibility of the financial advisor to negotiate the ongoing fee annually and to keep the annual fee renewal on file.

Should you have any enquiries, please contact your PSG AMAS Business Development Manager or one of our Client Service Consultants on 0800 117 180.

Yours faithfully,



**Lizè Visser**  
Executive: Distribution



**Mornè Rall**  
Client Service Manager