

KEY INFORMATION DOCUMENT

PSG WEALTH

RETIREMENT ANNUITY





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PSG WEALTH RETIREMENT ANNUITY

This document is a summary of key information about the PSG Wealth Retirement Annuity. It will help you to understand the product and make an informed decision. This is only a summary. It is not a legal and binding document, nor should it be considered as advice. Before deciding to invest in this product we suggest that you read the whole document together with the terms and conditions of the investment contract.

ABOUT THIS PRODUCT



What is the PSG Wealth Retirement Annuity?

The PSG Wealth Retirement Annuity is a savings vehicle that provides you with a tax-efficient way to save for retirement. Its primary purpose is to help you accumulate and grow your savings so that when you retire, you can earn an income. Up to one-third of the total amount can be taken as a cash lump sum, of which a portion may be tax free. The balance must be used to purchase an annuity that will provide you with a regular income, subject to tax where applicable.



Who provides it to me?

The PSG Wealth Retirement Annuity is underwritten by PSG Life Ltd (FSP 22557) and administered by PSG Invest (Pty) Ltd (FSP 563). Both of these entities form part of PSG Wealth, the brand under which this product is marketed. If you invest in the PSG Wealth Retirement Annuity, your investment contract will be with PSG Life Ltd.

KEY FEATURES OF THE PSG WEALTH RETIREMENT ANNUITY



Who is this product most suitable for?

- Any individual who wants to save for retirement or to supplement their existing retirement savings that they already have accumulated in a pension, provident or preservation fund.
- Investors who want the flexibility to stop and start contributions to their retirement savings.
- Individuals who would like flexibility in selecting their underlying investment instruments.
- Individuals who wish to have the proceeds of their investment paid to their beneficiaries at death.



Who is this product less suitable for?

- Individuals who may need to access their savings before they turn 55.
- Any organisation or trust – this investment is only available to individuals.



Contributions

- The minimum initial lump sum investment for the PSG Wealth Retirement Annuity is R20 000.
- Minimum debit order investments are R500 a month, R1 500 a quarter, R3 000 half-yearly or R6 000 yearly.
- You can also combine debit order and lump sum investments.
- You can transfer an existing benefit from another retirement annuity fund.
- You can add to your investment or increase your debit order amount at any time.
- You can choose to automatically increase your regular debit order contribution each year.



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What will happen if I miss, stop or reduce debit order investments?

You won't be penalised, but the growth of your retirement savings will be impacted.

Investment options

- You can invest in a range of unit trusts, personal share portfolios and life portfolios available on the PSG Wealth investment platform.
- Regulation 28 of the Pension Funds Act restricts the amount of money that you can invest in certain asset classes.
- You can switch between these underlying investment instruments at any time.

TAX



Tax considerations

- Contributions are tax deductible up to a maximum of 27.5% of the highest of taxable income or remuneration, limited to R350 000 per tax year. However, excess contributions may be carried forward to be deducted in the following tax year.
- There is no tax on interest, dividends or capital gains earned from the underlying instruments of the investment.
- Income tax is payable on any lump sum taken at retirement.
- The portion transferred to a compulsory annuity is taxed when annuity payments are made.

ACCESS TO YOUR INVESTMENT

- You can withdraw your investment amount if you officially emigrate.
- You can retire early because of ill health or disability, subject to the rules of the fund.
- If your investment amount is less than R7 000, a full withdrawal is allowed, subject to tax.
- You can retire from the fund any time after reaching the age of 55.
- A maximum of a third of the investment amount at retirement may be taken as a lump sum. The balance must be used to purchase an annuity.
- If the investment amount at retirement is less than R247 500, the full amount can be paid as a lump sum.

Can I use the product as security for a loan?

- No.
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Is it protected against my creditors?

- Yes.
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Can I transfer my PSG Wealth Retirement Annuity to another product provider?

- Yes.
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What happens if I die?

- Payment to beneficiaries will be determined by the trustees of the Retirement Annuity Fund in terms of Section 37C of the Pension Funds Act of 1956.
- Payments to beneficiaries are free of estate duty.

COOLING-OFF PERIOD

- You can cancel your investment up until 30 days after it has been accepted by PSG Wealth. We will refund the amount you invested subject to market movement, less any fees you paid.
- If you transact during the cooling-off period, you can no longer cancel your investment.
- Cancellations during the cooling-off period are subject to a bank clearance period before funds can be paid back into your account. The clearance period is 45 days for once-off collections and recurring premiums and 21 days for electronic funds transfers (ETFs).

BENEFITS



What type of benefits can I expect?

- The PSG Wealth Retirement Annuity helps you to grow your retirement savings and supplement any existing retirement savings.
- Up to a certain amount, the contributions that you pay into a retirement annuity are tax deductible.
- Membership of the Retirement Annuity fund is independent of your employer and is not affected if you change jobs.
- No tax is payable when transferring from an existing retirement fund to the PSG Wealth Retirement Annuity Fund. This allows for more growth on your investment.

RISKS



Can I lose money?

- Yes, your investment returns may not perform as expected. Your investment is linked to the market value of the underlying instruments chosen and is not guaranteed.
- It is important to ensure that you are comfortable with the level of investment risk your chosen investment instruments carry. If you are unsure of how to invest, a financial adviser can help you to make appropriate choices.
- You will not receive money from an underlying instrument that does not pay out.

When will benefits not be provided?

- Retirement Annuity Fund benefits are not protected in the case of divorce. The Retirement Annuity Fund may be obliged to pay benefits to an ex-spouse in terms of a divorce order.
- If you owe money to SARS, they may instruct us to pay the amount owed to them.



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BEFORE YOU DECIDE



Before you decide whether or not to buy this product, it is recommended that you consider the following:

1. Compare this product with other products that could also meet your financial needs. These could include:
 - Other types of products, available from PSG Wealth or other providers.
 - Other retirement annuities available from other product providers.
2. A Key Information Document like this one has to be produced for all financial products to help you make these comparisons. Find Key Information Documents for other products that could suit your needs or ask your financial adviser to get these for you.
3. If you do not have a financial adviser, consider whether an authorised financial adviser could help you to make appropriate financial decisions. If you obtain advice, insist that your adviser gives you proof that he or she is qualified to advise you on this type of product. You should also get full details of the fees, commission or incentives your adviser will get if you invest in this product with his or her assistance.

This document is only a high-level summary of the PSG Wealth Retirement Annuity. We encourage you to ask further questions. You should also read the detailed terms and conditions for the PSG Wealth Retirement Annuity, which you can request from us. You can get more information from your financial adviser or from PSG Wealth directly: email clientservice@psg.co.za, call 0860 774 774 or visit www.psg.co.za.

PSG Wealth offers a range of unit trusts and multi-managed portfolios, each with different underlying instruments. Make sure you read their Fund Fact Sheets which you can request from us. These will give you important information on their investment fees, risks and objectives.

Ask your financial adviser or one of our client service consultants to give you details on the overall impact of investment fees on your investment over time. Also ask for information on the past performance of the underlying instruments you want to include in your investment: email clientservice@psg.co.za, call 0860 774 774 or visit www.psg.co.za – but remember that past performance is not a guarantee of future performance.
