

A close-up, black and white portrait of a young girl with dark, curly hair, looking slightly to the left with a gentle smile. The image is partially obscured by a diagonal grey overlay that runs from the top left towards the bottom right.

Absa Fundisa Fund

Strive for the exceptional. Prosper.

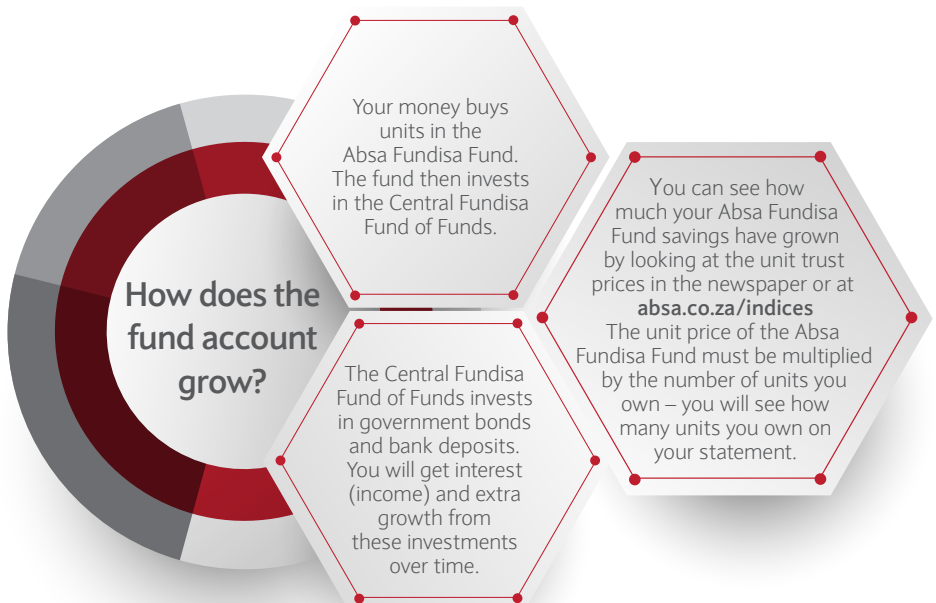
What is the Absa Fundisa Fund?

The Absa Fundisa Fund is a unit trust savings account intended for tertiary education purposes, for any South African child from a low-income household.

- The fund aims to help learners pay for a quality, accredited qualification at either a public FET college or a university that is recognised by the National Student Financial Aid Scheme (NSFAS)
- The investment is flexible and investors can save for a child, even if the child is not their own
- You can invest from as little as R40 a month
- There is no limit on the number of people (investors) who may save on behalf of a single child. However, a single child will only be eligible to receive R600 a year regardless of the number of investors or the amount that is invested.*

*To receive the R600 bonus, the investors will need to have saved R2 400 or more in total in that year.

Savings efforts are rewarded with a unique bonus made possible through a joint venture between government and various ASISA member companies.



How does it work?

Every year the savings contributions for the period October to September are enhanced by an additional 25%, up to a maximum of R600 a year, per child.

Examples

- If your contribution for the 12 months from October to September is R2 400, your bonus will be R600
- If your contribution for the 12 months from October to September is R1 200, your bonus will be R300.

Please note: The **bonus** money does not belong to the investor, therefore, it cannot be withdrawn other than for use by the child whose education you are saving for.

If you withdraw your contributed funds for any reason other than to pay it over to an educational institution for the beneficiary's studies, the bonus amount accumulated up to that time will be forfeited.

Who qualifies for this product?

Effective from 1 March 2013 any individual with a combined annual household income of R180 000 or less can apply.

This means that a qualifying test will be applied on the opening of an account for all new beneficiaries.

How much does it cost?

There is an annual fee of 0,57% (including VAT) that is taken from the income earned in the fund. No initial fees are charged on your investment unless you decide to invest with the help of a financial adviser. The maximum upfront or ongoing fee that a financial adviser can charge you on your investment is 1,14% per annum (incl. VAT).

Example

For a monthly investment of R40, an amount of 64 cents may be deducted from your investment and paid to your adviser.

How to invest



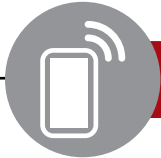
Complete an Absa Fundisa Fund application form at any Absa branch

OR

Download the application form from the Absa Investments website at absa.co.za/wim



OR



Call the Absa Fund Managers Contact Centre on **0860 111 456** to have an application form emailed or faxed to you

Supporting documents that are required

- Investor's Identity Document
- Copy of the beneficiary's/child's birth certificate
- Proof of address not older than three months
- Salary statement of the guardian or parent(s) not older than three months.

Once your application form has been accepted and processed, lump-sum payment banking details will be provided or your investment amount will be deducted monthly from your personal bank account.

How will the money be paid out?

If you want to withdraw your money from the Absa Fundisa Fund, it will take two working days for you to get your money from Absa Fund Managers or an Absa branch. The bonus portion will be paid directly to the public college or university where the child is enrolled.

Questions and answers

<p>Can I open an account for myself or must it be specifically for a child?</p>	<p>You may open the Absa Fundisa Fund account to save for your own tertiary education. However, it is important to note that no bonus allocation will be made to an account where the beneficiary is older than 35 years or their household income is more than R180 000 a year.</p>
<p>Can I open an account for someone else's child or does the beneficiary have to be my own child?</p>	<p>You can nominate any child as a beneficiary; they do not have to be your own biological child (or children), as long as they hold a South African Identity Document or have a South African birth certificate.</p> <p>While there is no limit to the number of people (investors) who may save on behalf of a single beneficiary, the most that can be allocated as a bonus for each beneficiary per year is R600, no matter how many investors there are.</p>
<p>Who qualifies for the Absa Fundisa Fund bonus?</p>	<p>The annual household income of the beneficiary has to be less than R180 000 a year for the beneficiary to be eligible for the bonus payment when enrolling for their tertiary-level studies.</p> <p>If the beneficiary is older than 35 years or does not enrol at an approved tertiary educational institution before they turn 35, they will not be eligible for the bonus portion.</p>
<p>When is the bonus allocated?</p>	<p>The bonus allocation to investor accounts will be calculated as per the end of September balances (net inflows), and the bonus allocation per account will take place during December.</p>
<p>Can I change my beneficiary nomination?</p>	<p>You may change your beneficiary nominations once a year. However, from 1 March 2013 the bonus payment for a new beneficiary will be subject to the household income threshold of R180 000 a year.</p>
<p>What happens if the beneficiary decides not to further their studies?</p>	<p>If beneficiaries decide not to further their studies, we encourage you to nominate other beneficiaries in their place, as the bonus portion of the investment will be paid back to the Central Fundisa Fund of Funds where it will be applied to the accounts of other investors. You (the investor) will then be treated as a normal collective investment schemes investor.</p>

What happens if the beneficiary wants to wait a while before starting their studies?	The nominated beneficiary does not have to start studying immediately, but they must enrol at an approved educational institution before reaching the age of 35 to be eligible to benefit from the bonus portion.
What must I do when the beneficiary wants to start studying?	The process is very simple: Complete and fax or email the Redemption Form available on our website at absa.co.za/wim
Can I withdraw the money from the fund?	You can withdraw your contributed funds, but not the bonus portion. If you withdraw your investment for any reason other than to pay the money over to an educational institution for the beneficiary's studies, the bonus amount accumulated up to that time will not be paid to you, but will be placed back in the Central Fundisa Fund of Funds.
Can the proceeds of the withdrawal be paid to a third party?	The proceeds will only be paid into the investor's bank account held in the investor's name.
What fees will be charged on my investment in the fund?	There is an annual fee of 0,57% (including VAT) that is taken from the income earned in the Absa Fundisa Fund. No initial fees are charged on your investment unless you decide to invest with the help of a financial adviser, who may charge you a fee of no more than 1,14% (incl. VAT) of your investment.
Will income distributions be paid?	All distributed income is automatically reinvested in the same account from where they accrue (i.e. your account) in December each year.
Will I pay tax on my investment?	Your income and capital growth on your contributions are fully taxable and withdrawals will be subject to normal tax rules on capital and income. However, you will not be liable for tax on the bonus portion of the investment.
Will I receive an IT3 tax certificate for my investment?	While a tax file will be generated for SARS, investors in the fund have been exempted from receiving tax certificates.
What happens to the investment if the investor dies?	If the investor dies before the units have been withdrawn, the funds fall into the estate of the investor. At best, the appointed executor of the deceased's estate can regard the investment as an expression of the investor's wishes for the attached beneficiary where this was specifically noted in the application form.

<p>What happens to the investment if the beneficiary dies?</p>	<p>If the beneficiary dies, the investment can be transferred to another beneficiary. Remember, if you withdraw the money, you will forfeit any bonus portion.</p>
<p>Which are the approved educational institutions? All private and public institutions, or are there exceptions?</p>	<p>The money can be used for higher education at any public college or university that is recognised by the National Student Financial Aid Scheme (NSFAS). A list of the approved institutions is available on the NSFAS website (nsfas.org).</p>
<p>Am I allowed to make a once-off debit payment?</p>	<p>Absa Fund Managers does not accept once-off debit payments to the Fund. We prefer that your investment be paid into our bank account via electronic funds transfer (EFT), debit order or cash deposit at a branch. Banking details will be provided on confirmation of account activation.</p>
<p>How often will I receive statements on my investment accounts?</p>	<p>Twice a year.</p>

If you have any queries about your account, please call our Contact Centre (RSA only).

utenquiries@absa.co.za | 0860 111 456