

Nedgroup Investments FundiSA Fund

Frequently asked questions

Can I open an account for myself, or must it be for a child specifically?

You may open a 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 or his / her household income is more than R180 000 per year.

Can I open an account for someone else's child or does the beneficiary have to be my own child?

You can nominate any child as a beneficiary, they do not have to be your own biological children, as long as they hold a South African Identity Document or have a South African birth certificate.

What do I need to open an account?

To open an account, you need:

- Your South African ID or passport (if you are a foreign national);
- A minimum lump sum investment of R40 or a monthly debit order of at least R40; and
- The beneficiary's South African ID / South African birth certificate.

What is the FundiSA Fund bonus and how does it work?

- If the beneficiary qualifies, an annual bonus of up to 25% of your contributions from October to September every year, is added to your FundiSA investment up to a maximum of R600 per beneficiary per year. This means that:

Saving	Bonus
If you save R100 a month for 12 months (i.e. R1 200 from 1 October to 30 September)	The bonus will be R300
If you contribute R2 000 over 12 months (i.e. from 1 October to 30 September)	The bonus will be R500
If you contribute R2 400 over 12 months (i.e. from 1 October to 30 September)	The bonus will be R600

- The bonus does not belong to you and can only be used by the beneficiary whose education you are saving for.
- While there is no limit on the number of people (investors) that 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 the number of investors.

Who qualifies for the FundiSA Fund bonus?

- The annual household income of the beneficiary has to be less than R180 000 per year for the beneficiary to be eligible for the bonus payment when enrolling for their tertiary studies.
- If the beneficiary is older than 35 or does not enrol at an approved tertiary education establishment before they turn 35, they will not be eligible for the bonus portion.

When is the bonus allocated?

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.

Can I change my beneficiary nomination?

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 per year.

What happens if the beneficiary decides not to further their studies?

If the beneficiary decides not to further their studies, we encourage you to nominate another beneficiary in their place, as the bonus portion of the investment will be paid back to the Central FundiSA Fund 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.

What happens if the beneficiary wants to wait a while before they start their studies?

The nominated beneficiary doesn't have to start studying immediately, but they must enrol at an approved establishment before they reach 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 Withdrawal Form available on our website at www.nedgroupinvestments.co.za by clicking on 'About us' and then 'Corporate Social Responsibility'.
- We will send you an award certificate which clearly shows how much you have saved (including bonuses if applicable).
- This certificate gets handed to the college or university when the beneficiary enrolls.
- The college or university will advise the National Student Financial Aid Scheme (NSFAS) of the beneficiary's details and NSFAS will claim the money from the FundiSA Fund on behalf of the beneficiary. NSFAS will pay the college or university directly.

Can I withdraw the money from the fund?

You can take your money out of the FundiSA Fund by completing a Withdrawal Form, but 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 to date will not be paid to you, but will revert to the Central FundiSA Fund.

Can the proceeds of the withdrawal be paid to a third party?

The proceeds will only be paid to the investor directly and into a bank account held in the investor's name.

What fees will be charged on my investment in the FundiSA Fund?

Nedgroup Investments does not charge an initial fee or an annual management fee. However, there is an annual underlying fee of 0.20% (excluding VAT) payable to the Central FundiSA Fund.

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 is 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 FundiSA 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.

What happens to the investment if the beneficiary dies?

If the beneficiary dies, the investment can be transferred to another beneficiary. Remember, if you withdraw the money, you will forfeit any bonus portion.

Which are the approved educational institutions for FundiSA? All private and public institutions, or are there exceptions?

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 (www.nsfas.org).

Am I allowed to make a once-off debit payment?

Nedgroup Investments do not accept once-off debit payments for the FundiSA Fund. We prefer that your investment is paid into our bank account via Electronic Fund Transfer (EFT), debit order or cheque. We do not accept cash payments.

What bank account do I use when depositing/transferring funds?

Name of bank account: Nedgroup Collective Investments Inflow Account
Bank: Nedbank
Branch code: 145 209
Branch name: BS Corporate
Account Number: 1452 027 900

How often will I receive statements on my investment accounts?

It is important to note that our primary means of communication will be via sms. You will receive a monthly sms notifying you that we have received your debit order contribution, which will also reflect your account balance and the bonus portion of your investment (if applicable). You will also receive an sms whenever there has been transactional activity on your account, and when the bonus allocation is made in December, should your investment qualify for the bonus payment.

Online access to my investment

Information regarding your investment may also be accessed from our secure site. Once you have received a FundiSA investor number, you may **register yourself** on the Nedgroup Investments secure site. To access the site, go to www.nedgroupinvestments.co.za and click on 'my account login' in the top right hand corner of the landing page.

Please note that you will need to have completed a cell number and email address in the application form for you to register successfully.

Should you have any queries related to your account, please contact our Client Services Centre at info@nedgroupinvestments.co.za, or on 0860 123 263 (RSA only) or + 27 21 416 6011 (outside RSA)

Unit trusts (collective investment schemes in securities) are generally medium- to long-term investments. The value of units (participatory interests) may go down as well as up and past performance is not necessarily a guide to the future. Fluctuations or movements in exchange rates may cause the value of underlying international investments to go up and down. Unit trust prices are calculated on a net asset value basis, which is the total value of all assets in the portfolio including any income accruals and less any permissible deductions (brokerage, Securities Transfer Tax, VAT, auditor's fees, bank charges, trustee and custodian fees and the annual management fee) from the unit trust portfolio, divided by the number of units in issue. Unit trusts are traded at ruling prices and forward pricing is used. Unit trust portfolios are priced daily at 15:00. Instructions must reach us before 14:00 to ensure same business day value. Unit trusts can engage in scrip lending and borrowing. Different classes of units may apply to these unit trust portfolios and are subject to different fees and charges. A schedule of maximum fees and charges is available on request from us. Fees and incentives may be paid, and if so, are included in the overall costs. These unit trust portfolios may be closed.

A member of the Association for Savings and Investment South Africa (ASISA).
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