

Nedgroup Investments FundiSA Fund

Frequently Asked Questions



unit trusts | offshore | retirement funds

What is the FundiSA Fund?

The FundiSA Fund is an educational savings account that rewards investors with a unique bonus feature. Every year, your savings are enhanced by an additional 25% bonus – up to a maximum of R600 per year.

The bonus has been made possible through a joint venture between government and the unit trust industry and is intended to help learners from low-income families pay for their tertiary education.

Who can invest in the FundiSA Fund?

The FundiSA Fund is available to any investor who is saving for the tertiary education of a South African citizen who comes from a household earning less than R180 000 per year.

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. Beneficiaries must hold a South African ID or have a South African birth certificate, however.

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, provided that your household income is less than R180 000 per year and you will be under the age of 35 when you begin your studies.

What do I need to open an account?

- 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.
- The beneficiary's South African ID or South African birth certificate.

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

- An annual bonus of 25% of your contributions 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)	The bonus will be R300
If you save R200 a month for 12 months (i.e. R2 400)	The bonus will be R600
If you save R300 a month for 12 months (i.e. R3 600)	The bonus will still be R600

- The bonus does not belong to you and can only be used to fund the tertiary education of your beneficiary.
- There is no limit on the number of investors that may save on behalf of a single beneficiary, but the maximum bonus allocation is R600 per beneficiary, regardless of how many investors are saving on their behalf.

When is the bonus allocated?

The bonus is allocated to your account in December. It is calculated at the end of September, based on your net contributions from October in the previous year to September in the current year.

Can I change my beneficiary nomination?

Yes, you may change your beneficiary nomination once a 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 a new beneficiary; otherwise the bonus portion of the investment will be paid back to the Central FundiSA Fund at the end of the year.

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

Your beneficiary doesn't have to start studying immediately, but they must enrol at an approved educational institution before they reach the age of 35 to benefit from the bonus portion of the investment.

How do I access my investment?

For education purposes - you can access your contributions, the growth of your investment as well as the government bonus of your investment.

For personal use - you can access your contributions and growth of your investment.

The FundiSA withdrawal form is available on our website at www.nedgroupinvestments.co.za

What fees will be charged on my investment?

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 income distributions are automatically reinvested in your FundiSA account on the first working day in January each year.

Will I pay tax on my investment?

The 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 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 may regard the investment as an expression of the investor's wishes for the beneficiary. Where the investor's contributions are withdrawn to the estate late bank account, the bonus portion is forfeited.

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.

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

Nedgroup Investments does not process once-off debit collections for the FundiSA Fund. You can make your investment via Electronic Fund Transfer (EFT), monthly debit order or cheque payment into our bank account. We do not accept cash deposits.

What bank account should 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

What communication will I receive?

Our primary means of communication will be via sms. You will receive a monthly sms which will reflect your account balance and the bonus portion of your investment. You will also receive an sms whenever there has been activity on your account.

Online access to my investment

Once you have received a FundiSA investor number, you may register on the Nedgroup Investments website to access information about your investment.

To register, go to www.nedgroupinvestments.co.za and click on 'Register/Login' in the top right corner of the landing page. Note that you will need to have provided a cell number and email address in the application form in order to register successfully.

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

Please note that Nedgroup Collective Investments (RF) Proprietary Limited is not authorised to and does not provide financial advice. This document is of a general nature and intended for information purposes only. It is not intended to address the circumstances of any investor and cannot be relied on as legal, tax or financial advice, either express or implied. Whilst we have taken all reasonable steps to ensure that the information in this document is accurate and current on an ongoing basis, Nedgroup Investments shall accept no responsibility or liability for any inaccuracies, errors or omissions relating to the information and topics covered in this document.

Nedgroup Collective Investments (RF) Proprietary Limited administers the Nedgroup Investments unit trust portfolios and is authorised to do so as a manager in terms of the Collective Investment Schemes Control Act. Collective Investment Schemes (unit trusts) are generally medium to long-term investments. The value of participatory interests (units) may go down as well as up and past performance is not necessarily a guide to the future. Unit trusts are traded at ruling prices and can engage in borrowing and scrip lending. Forward pricing is used. A schedule of fees and charges and maximum commissions is available on request from Nedgroup Investments. Fluctuations or movements in exchange rates may cause the value of underlying international investments to go up or down. The Nedgroup Investments Money Market Fund aims to maintain a constant price (e.g. R1.00) per unit. A money market portfolio is not a bank deposit. The total return to the investor is primarily made up of interest received but may also include any gain or loss made on any particular instrument. In most cases this will merely have the effect of increasing or decreasing the daily yield, but in an extreme case it can have the effect of reducing the capital value of the portfolio. The yield is calculated using an annualised seven day rolling average as at the relevant dates provided for in the fund fact sheet. Excessive withdrawals from the portfolio may place the portfolio under liquidity pressures. In such circumstances a process of ring-fencing of withdrawal instructions and managed pay-outs over time may be followed. A fund of funds is a portfolio that invests in, apart from assets in liquid form, portfolios of collective investment schemes, which levy their own charges, which could result in a higher fee structure for the fund of fund. A feeder fund is a portfolio that, apart from assets in liquid form, consists solely of participatory interests in a single portfolio of a collective investment scheme, which levy its own charges, which could result in a higher fee structure for the feeder fund.

Nedgroup Collective Investments (RF) Proprietary Limited (Reg No 1997/001569/07) is a member of the Association of Savings & Investment South Africa (ASISA).
Nedbank Clocktower, Clocktower Precinct, V&A Waterfront, Cape Town.