

# Endowment

## Fact Sheet

The PSG FutureWealth Endowment is a pure investment product. The main objective is to provide medium- to long-term savings or capital accumulation. It is ideal if you require a tax-efficient forced savings product to accumulate funds for a specific purpose. The endowment is also well suited to those who have a high average tax rate due to the lower tax on interest and capital gains applicable. An endowment has a minimum statutory five year investment term that provides a further incentive to save and gives you the option of taking regular tax-free income once your policy has matured.

### Single premium option

The investment consists of a lump sum paid by you, the investor. Additional premiums may be paid into the investment plan over time, subject to legislative requirements and the specific rules of the underlying portfolios that you select.

You have two single premium options to choose from:

- **Net allocation**  
An initial financial advisor and PSG FutureWealth fee is deducted from the premium prior to investing in your selected portfolios.
- **100% allocation**  
No initial fees are levied upfront so your full initial premium is invested into your selected portfolios. However, PSG FutureWealth as well as your financial advisor receives an initial fee that is amortised over the five-year period by charging a higher ongoing fee than the net allocation option.

### Recurring premium option

The investment consists of regular premium payments via a debit order on a monthly, quarterly, half-yearly or annual basis, at the start of each payment period. You may opt to have your premiums increased by a fixed rate (up to a maximum of 20%) each year. A fee is levied on each premium received and the net amount is invested into your selected portfolios.

The fees are scheduled below.

### Features and benefits

- A complete suite of specialist portfolios are available as underlying investment options within the endowment. The diversity of these portfolios allows you to select different levels of risk and exposure that suit your profile and objectives. You may select multiple portfolios within the same endowment plan.
- All benefits are free of income tax in your hands as tax is paid by PSG FutureWealth on your behalf. All benefits will also be free of capital gains tax in your hands provided you are the original beneficial owner of the investment plan, the spouse, nominee or dependent of the original beneficial owner, or the former spouse and the policy has been ceded to you in terms of a divorce order.

# Endowment

## Fact Sheet (continued)

### Features and benefits (continued)

The tax rate depends on the type of investor you are, according to the four-funds approach to taxation (section 29A of the Income Tax Act):

Investor Type	Tax on interest, net rental and foreign dividends	Capital gains tax
Individual and trust with natural beneficiaries	30%	7.5%
Company and trust with corporate beneficiaries	20%	14%
Retirement fund	0%	0%
Tax exempt	0%	0%

- On maturity of the investment plan at the end of the five-year investment period, you may choose to:
  - Receive the full investment value free of any tax
  - Open-end the investment plan and make multiple tax-free withdrawals when you require an income.
- You may nominate multiple beneficiaries to receive the proceeds of the investment plan following the death of the last life assured. The beneficiaries may be changed at any stage during the term of the investment plan. The beneficiary also has the option to continue with the investment plan for such a period as agreed upon with PSG FutureWealth.
- The recurring premium option does not lapse if you fail to pay a premium when it is due. The investment plan becomes paid-up and the premium contributions received up to that point remain invested in your chosen portfolios. You may elect to begin repaying premiums at any stage after the investment plan is made paid-up.
- The benefit payable to the nominated beneficiary/ies is equal to the investment value at the date of death of the investor. The beneficiary has the option to continue with the investment plan. The benefit will be payable to the estate of the deceased, should no beneficiary/ies be nominated.

Please contact **PSG FutureWealth** on telephone number **0800 117 180** for more information.