



Absa Preservation Funds

Protect your retirement savings.



Change your job, not the way you retire.

If you are thinking about changing or are already in the process of changing your job, we've got the product to help you protect your retirement savings in a tax-efficient way with the Absa Preservation Funds.

Ideal investor

This product is best suited for individuals who:

- have at least R25 000 in retirement savings
- are in the process of leaving their current employer
- want to protect their pension or provident fund savings

How do the Preservation Funds work?

- You can continue to grow your retirement savings in a tax-efficient way even after you have left your current employer
- You can gain control over pension benefits before you retire
- The Absa Preservation Funds offer you flexibility in constructing and adjusting your retirement portfolio by providing a wide range of investment options, including: local Collective Investment Schemes (CIS) funds, local wrap funds (wraps), JSE-listed Exchange-traded Funds (ETFs) and share portfolios
- Fees are transparent and you will receive quarterly reporting on your portfolio's holdings, values and transactions
- Easy transition into a retirement income solution on the platform
- The term of the investment is until retirement age, which is at least 55 years old.

The **Pension Preservation Fund**: At retirement, you can take up to a third of the investment value as a lump sum payment, subject to tax. You can then invest the balance into a retirement income solution. If the total investment amount is less than R247 500, you can take the full amount as a cash payment.

The **Provident Preservation Fund**: At retirement, the full vested interest portion of the investment value can be taken as a lump sum payment subject to tax. On the non-vested interest portion of the investment value, only up to one third may be taken as a lump sum payment subject to tax. The balance must be used to purchase a compulsory income product. If the investment value of the non-vested interest portion is less than R247 500, the full amount can be paid out as a lump sum.

Can you access your investment early?

The longer your investment can grow, the better. You may, however, access your investment before retirement age (55) under the following circumstances:

- One full or partial withdrawal is allowed prior to your retirement age
- On early retirement due to ill health or disability (subject to fund rules)
- On emigrating officially, you can withdraw the full amount
- Should you pass away, the fund will form part of your estate.

Tax implications

Any investment returns (including dividends, income and capital gains) within the product are tax-free.

At retirement, a tax-free cash payment is subject to limits per taxpayer (with an overall maximum lifetime limit per taxpayer).

The balance of the cash payment will be taxed at prevailing South African Revenue Service (SARS) rates. The portion of the investment you use to purchase a compulsory annuity-paying product, however, will only be taxed on income payments.

Upon the death of a member, the benefits are taxable as part of deceased's estate.

What will it cost?

Annual administration fee (VAT inclusive)		
First	R250 000	0,75%
Second	R500 000	0,50%
Above	R750 000	0,25%

Maximum adviser fees per product			
Independent Financial Advisers (IFAs)		Absa Insurance and Financial Advisers	
Initial advice fee	Annual advice fee	Initial advice fee	Annual advice fee
5,00%	1,00%	3,00%	0,50%

Investment minimums			
Lump sum investment	Recurring investment	Additional investment	Repurchase
R25 000	none	none	Any

Fees above are VAT exclusive , unless otherwise stated, and VAT will be levied where applicable.

Any annual or initial financial adviser fees are negotiated between yourself and your financial adviser.

There is an additional cost incurred in the form of fund management fees and depends on the underlying funds selected.

Risks associated with product

Risk	Description
Investment risk	The product does not guarantee the investment performance of the underlying investments. Such performance will depend on the investments selected, the value of which can increase or decrease. Accordingly, any investment risk will be carried by the investor. Since the underlying investments are generally linked to market performance, a market downturn can lead to a decline in the value of these investments, which in turn could lead to reduced income and/or how long the investment capital will last.
Portfolio diversification risk	The investor should carefully consider the exposure that investing in this product would have on their overall investment portfolio.
Liquidity risk	The liquidity on the product is directly linked to the liquidity of the underlying funds selected by the investor.

Terms and conditions for this product are available on absainvestments.co.za

How to get started

Speak to your financial adviser or visit absainvestments.co.za to get started with your investment.

**For more information contact AIMS Client Service
(operating hours: Monday to Friday 08:00 to 16:30)**

Tel: 0860 000 005 | Fax: 0861 339 265 | Email: aimsenquiries@absa.co.za

Terms and conditions apply

The information does not constitute investment, legal, tax or other advice and is not to be relied on in making an investment or other decision. The risks associated with the buying and selling of financial products and the investment values of this financial product is not guaranteed as its performance will depend on the underlying funds. Furthermore, the information does not constitute advice as defined by the Financial Advisory and Intermediary Services Act, 37 of 2002. AIMS cannot be held liable in anyway whatsoever for any investment decision made as a result of any information contained herein.

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