

## Ashburton Endowment Guide

**The Ashburton Endowment is a flexible investment with a restricted five-year investment term. The product is designed for investors looking for a long-term savings vehicle.**

**This document contains useful and important information about investing in this product.**

### **Creating an investment**

Please complete the Ashburton Endowment Application form, available from our website ([www.ashburtoninvestments.com](http://www.ashburtoninvestments.com)) or from your financial advisor.

### **Adding to your investment**

You can add to your investment through monthly debit orders or by adding a lump sum investment. The amount you add in any one year must not exceed 120% of the maximum amount added in the two preceding years, otherwise your investment will enter a new five-year investment term. To add to your investment complete the Ashburton Endowment Additional Investment form, which is available on the Ashburton Investments website ([www.ashburtoninvestments.com](http://www.ashburtoninvestments.com)).

### **Switching between funds**

You can switch between funds, and into new funds, at any time. The Ashburton Investor Platform does not charge switch fees on any funds, regardless of whether they are Ashburton funds or third-party funds.

You can switch funds by completing a switch form, which is available on the Ashburton Investor Platform website ([www.ashburtoninvestments.com](http://www.ashburtoninvestments.com)). If your financial advisor has a discretionary mandate to transact on your behalf, he/she can instruct us to do the switch on your behalf.

### **Turnaround time for a switch**

A switch between local funds can take up to three working days, in normal circumstances.

### **Statements**

Investment statements are available by secure login on our website at [www.ashburtoninvestments.com](http://www.ashburtoninvestments.com) or from your financial advisor. Quarterly investment statements are automatically generated and will be available on our website or sent to you via email if you indicated this as your preference.

## Administration fees

The Ashburton Investor Platform does not charge initial or annual administration fees on any Ashburton funds or investment solutions offered by RMB, a division of FirstRand Bank Limited.

For investments into third-party fund managers, an annual tiered fee scale applies.

We aggregate your total investments across all products to reduce the fee applicable to third-party fund managers.

The fee scale on third-party fund managers is calculated by aggregating all your investments on the Ashburton Investor Platform. VAT is not applicable.

First R1 000 000	0.45%
Next R2 000 000	0.35%
Above R3 000 000	0.22%

## “Clean” versus “all-in” management fees and rebates

The management fee is the fee that the fund management company charges directly to the fund. A “clean fee class” includes only that fund manager’s charge for managing the fund. An “all-in fee class” will include, in addition to the fee for managing the fund, fees for other services for example an advice fee which is paid by the fund manager to the financial advisors and/or a “platform fee” that is paid by the manager to the LISP platforms (“rebates”). Some LISP platforms will pass these rebates onto you by reducing the administration fee they charge you, while others may retain these rebates. This can make it very difficult for you as the investor to understand how much you are paying, who you are paying and what you are paying for.

The clean management fee class simplifies this and provides better transparency on the fees. You can then directly agree on the fee that you pay to your advisor and directly agree to and have sight of the fee that the platform receives for administering your investment.

The Ashburton Investor Platform intends, as far as possible, to make available the fund manager’s “clean” management fee class. In some instances, where a fund manager does not have a clean fee class available, or where you are already invested in an “all-in” class and have moved your administration to the Ashburton Investor Platform, we may receive rebates from fund managers. Ashburton will use this rebate received to reduce the administration fee that you pay i.e the benefit of this rebate received will be passed onto you.

## Financial advisor fees

Your financial advisor may charge an initial fee of up to 3% plus VAT, and an annual fee of up to 1% plus VAT. Fees are negotiable with your financial advisor.

## Minimum investment into the Ashburton Endowment

Minimum investment: R50 000

Minimum additional investment: R2 000

Recurring debit order: R500 per month

## Phasing-in your investment

You may phase-in your investment over a period of three to 24 months.

## Fee account

A fee account is a separate Ashburton Money Market Fund - Fee Account that keeps part of your investment for the payment of fees. This prevents you needing to sell units in your other funds at a time when it may not be beneficial to do so. You earn interest on the amount in the fee account. A minimum of 2% of your investment can be allocated to the Ashburton Money Market Fund - Fee Account.

## **Making withdrawals**

You may make one withdrawal during the first five-year investment term. The maximum that you may withdraw is the value of your contributions plus 5% compound interest per year, provided that the minimum remaining balance meets the product minimum of R25 000.

## **Taking a loan against your investment**

You are allowed one interest free loan during the five-year investment term. The maximum value that you may take as a loan is the value of your contributions plus 5% compound interest per year. The minimum value that you may take as a loan is R5 000. You may repay the interest free loan prior to the end of the five-year investment term.

## **Cooling-off period**

In accordance with the Consumer Protection Act (68 of 2008), you may cancel this investment during a 30-day “cooling-off period”. If you choose to cancel your investment, all contributions that you have paid will be returned to you less any withdrawals that have been made and less market loss where the value of your investments have decreased since starting the investment.

## **Estate planning**

You can nominate a beneficiary of ownership who will be the direct recipient of the endowment investment when you pass away. This means that although the investment forms part of your estate, it will not be subject to executor’s fees.

## **Changing a nominated beneficiary**

You can change your nominated beneficiary of ownership, at any time. Notify the Ashburton Investor Platform in writing by completing the beneficiary of ownership notification, which can be found on the Ashburton Investments website ([www.ashburtoninvestments.com](http://www.ashburtoninvestments.com)).

## **Taxation**

For individual investors, any income you make on your investment in the form of interest, rental income and foreign dividends is taxed at a flat rate of 30%, and is paid on your behalf by the Ashburton Investor Platform. Local dividends are subject to Dividends Tax at a flat rate of 15%. Capital Gains Tax is also paid on your behalf and is charged at an effective rate of 9.99%. Your financial advisor can assist you with your tax situation or you can obtain assistance by consulting with an independent tax specialist.

## **Distributions**

Income earned from distributions on your funds is automatically reinvested.

## **Ceding your investment**

You can cede your investment in the Ashburton Endowment. Both outright and collateral cessions are allowed. For collateral cessions, future transactions on your investment will require the approval of the cession holder.

## Contact details

Please speak to your financial advisor or contact us:

### Email us

[query@ashburtoninvest.co.za](mailto:query@ashburtoninvest.co.za)

### Visit us on the web

[www.ashburtoninvestments.com](http://www.ashburtoninvestments.com)

**Call us** +27 (0) 860 274 287

Ashburton Investor Services Proprietary Limited ("Ashburton") with Registration Number 2011/139123/07 is an authorised administrative financial services provider (FSP Number 44341).

The Ashburton Endowment is underwritten by FirstRand Life Assurance Limited, Long-term Licence No. 00102/001, Registration Number 2014/264879/06, a registered insurer governed by the Long-term Insurance Act (Act No. 52 of 1998).

The underlying investment option may be unit trusts.

This document and any other information supplied is not "advice" as defined and/or contemplated in terms of the Financial Advisory and Intermediary Services Act, 37 of 2002 ("the FAIS Act") and investors are encouraged to obtain their own independent legal, tax, investment or other professional advice prior to investing. Any investment is speculative and involves significant risks and therefore, prior to investing, investors should fully understand the financial product and any risks associated with them.

Collective investment schemes ("CIS") in securities are generally medium to long term investments. The value of participatory interests may go down as well as up and past performance is not necessarily a guide to the future. Forward pricing is used and portfolio valuations take place at approximately 15h00 (14h00 for money market funds) each business day (17h00 at month and quarter end). Instructions to redeem or repurchase must reach Ashburton before 14h00. For money market and short term debt portfolios the price of each participatory interest is aimed at a constant value. While a constant price is maintained the investment capital is not guaranteed. 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 extreme case, e.g. defaults by underlying issuers, it can have the effect of reducing the capital value of the portfolio.

CIS portfolios are traded at ruling prices and can engage in borrowing and scrip lending. Fluctuations or movements in exchange rates may cause the value of underlying investments to go up or down. A CIS portfolio may borrow up to 10% of the market value of the portfolio to bridge insufficient liquidity.

Participatory interests are calculated on a net asset value (NAV) basis, which is the total market value of all assets in the portfolio including any income accruals and less any permissible deductions from the CIS portfolio divided by the number of participatory interests in issue.

All fees quoted exclude VAT except where stated differently. A full detailed schedule of fees, charges and commissions is available from Ashburton on request and incentives may be paid and if so, would be included in the overall costs.