

fundISA



 Standard Bank



# It is said that “everyone who got where he is, began where he was”

The Fundisa Fund is an excellent opportunity for all of us in South Africa to begin where we are with the education of our children – by putting away what we can afford.

## **Saki Macozoma**

Chairman

STANLIB Limited



# Standard Bank Fundisa Fund

The savings account that helps the nation afford good education.

Every South African deserves the opportunity to get the best out of life. A good education is the greatest way to ensure just that. However, many South Africans cannot afford further education - unless they start saving for it now.

The Standard Bank Fundisa Fund, a dedicated educational savings account, exists for this very reason: incentivising the nation to save money especially for the purpose of affording quality education. The Fundisa Fund is a partnership with Government and Unit Trust companies and aims to create a culture of saving for learning to help liberate the potential of all South Africans.

# The Fundisa Fund in essence

The Standard Bank Fundisa Fund is a savings account that allows South Africans to save money for someone's future education at a public college or university – the money may only be used for educational purposes.

The second unique feature of this account is the bonus the account holders receive. The bonus serves as both a reward and encouragement for account holders to continue saving.

The Fundisa Fund has been launched as a three-year pilot project to measure the nation's willingness to participate in an initiative of this nature.

## The workings of the Fundisa Fund

### Allocation of the bonus

The bonus is calculated in October each year and deposited into the relevant bonus accounts in January of the following year. The bonus is equal to 25% of the net amount of money the account holder has added to the account over the 12 months ending 30 September (excluding any fees that have been deducted). The bonus is limited to a maximum amount of R600 per year, per child. The bonus remains the property of the Government and Unit Trust companies. Therefore, if an account holder decides to close their account and take back their money, the bonus money in the account has to be returned to the Government.

## Monthly contributions

The minimum savings amount is R40 per month. If an account holder would like to receive the maximum bonus of R600, they would have to save at least R200 per month. Therefore, although there is no maximum amount that can be saved, only amounts up to R200 per month will be used to calculate the bonus allocation. It is important for account holders to know that they must not hand over cash to anyone other than Standard Bank.

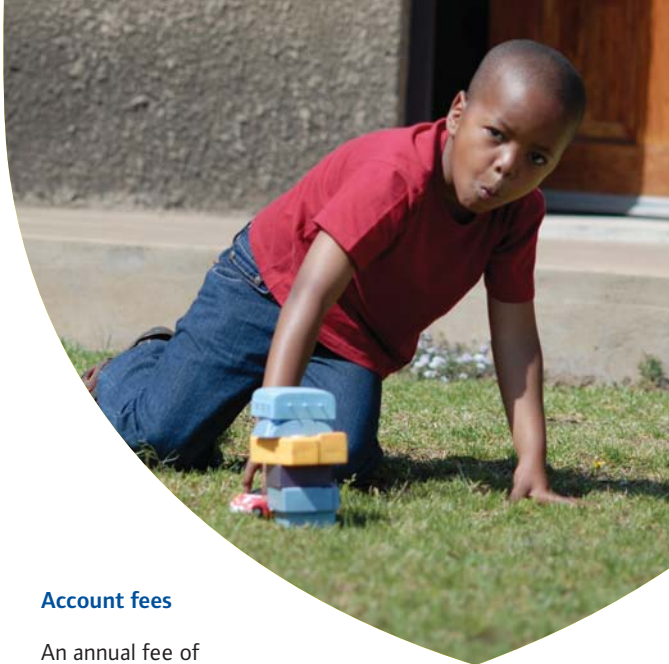
## Lump sum contributions

A lump sum can be added into the account at any time. The minimum lump sum amount is R40. All lump sums are added by debiting the bank account of the investor. To receive the maximum bonus of R600, the investor need only deposit R2'400 for the whole year (October to September).

## Utilising the savings

The money may only be used to study at a college or university recognized by the National Student Financial Aid Scheme (NSFAS). When the learner (for whom the savings have been made) is ready to commence their studies, the account holder must notify Standard Bank and take the Confirmation of Investment with them.

The Fundisa Fund will then issue the learner with an award certificate that will show the amount available in the particular savings account. The learner must then present the award certificate to the Financial Aids Officer (NSFAS) at the college or university where they have enrolled. The tertiary institution will advise the NSFAS of the learner's details and apply for the money from the Fundisa Fund. The Fundisa Fund will pay the money directly to the NSFAS who will pay the college or university.



### **Account fees**

An annual fee of 1.25% (excl. VAT) is taken from the income earned on the account. If a financial adviser helps an individual to open the account, they will receive an initial fee of 1% of the contribution. Banks may also charge debit order fees for monthly deposits where applicable.

### **Opening this account**

Anyone wishing to open a Standard Bank Fundisa Fund account can complete a Fundisa Fund application form at any branch of Standard Bank or you can also call the contact centre on 0860 FUNDISA (386 3472). You will then be able to use the ATM to add to your account or see the balance.

Each investor will have two accounts: The first account will show all the amounts the investor has made.

The second account will be the bonus account and will show the amount of the bonus that has been added or reduced each year.

The investor can take out their money at any time. It is important to know that any money that is taken out

of the investor's account will reduce the bonus money. The money in the bonus account never belongs to the investor, but remains the property of the Government until it is used to pay towards education fees.

## **Investor profile**

The account holder can be anyone who wishes to contribute towards the education of a learner; the account holder and the learner do not have to be related. The account holder can also save the money for their own studies. If necessary, the account holder may choose a different learner to receive the savings, but such a change may be made only once a year. The prospective account holder must have a Mzansi, Standard Bank E-Plan or similar bank savings account, and must be in possession of a green bar-coded SA ID book.

## **Learner profile**

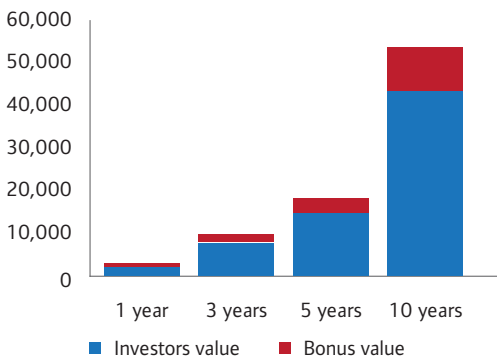
The learner must be a South African citizen or a Permanent Resident. A copy of the learner's green bar-coded SA ID book or birth certificate must be supplied to the bank or financial institution where the account is held. These documents must be validated before any payments can be made to an educational institution on the learner's behalf.



## Investment portfolio

The Fundisa Fund invests account holders' savings in deposits with banks, as well as in Government Bonds. Therefore, in addition to earning interest, the accounts also stand the chance of earning capital growth on the Government Bonds. As bonds fluctuate in value, account holders are advised to save for longer periods, to enhance their opportunity of enjoying capital growth on their savings.

**Example of R200 debit order saved in the Fundisa Fund over various time periods**



## **Conclusion**

The Fundisa Fund is an innovative initiative that aims to encourage all South Africans to save money for education. The small minimum savings amounts make it accessible to all income groups, while the bonus acts as a unique incentive.

## Example: How the Bonus is calculated

Year 1	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Saving (debit order)	R200	R200	R200	R200	R200	R200	R200	R200	R200	R200	R200	R200
Balance	R200	R400	R600	R800	R1,000	R1,200	R1,400	R1,600	R1,800	R2,000	R2,200	R2,400
Bonus										(R200 X 9 = R1,800 X 25% = R450)		
Total	R200	R400	R600	R800	R1,000	R1,200	R1,400	R1,600	R1,800	R2,000	R2,200	R2,400

Year 2	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Saving (debit order)	R200	R200	R200	R200	R200	R200	R200	R200	R200	R200	R200	R200
Balance	R2,600	R2,800	R3,000	R3,200	R3,400	R3,600	R3,800	R4,000	R4,200	R4,400	R4,600	R4,800
Bonus	R450									(R200 X 12 = R2,400 X 25% = R600)		
Total	R3,050	R3,250	R3,450	R3,650	R3,850	R4,050	R4,250	R4,450	R4,650	R4,850	R5,050	R5,250

Year 3	Jan
Saving (debit order)	R200
Balance	R5,000
Bonus	R600
Total	R6,050

Collective investment schemes 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. An investment in the participations of a collective investment scheme in securities is not the same as a deposit with a banking institution. Collective investment schemes in securities are traded at ruling prices and can engage in borrowing and scrip lending. Commission and incentives may be paid and if so, would be included in the overall costs. A schedule of fees and charges and maximum commissions is available on request from STANLIB Collective Investments Limited ("the Manager"). Forward pricing is used. The Manager is a member of the Association of Collective Investments.

# Standard Bank Fundisa Fund Confirmation of Investment - Client Copy

The savings account where you

- put away money for your children's education
- can qualify for a Bonus to help you save
- only need R40 a month to open your account

## What is the Fundisa Fund?

The Standard Bank Fundisa Fund is a savings account to help you put away – or save – money to pay for the after-school education of children, your own or someone else you care about.

## How does the Bonus work?

You will be given a bonus worth 25% of the money you save during a year to a maximum amount of R600 – for each child.

For example: if you save R40 per month for 12 months, you would have saved R480 and you'll receive a bonus of R120 (25% of R480).

## How do I use my savings?

You can save your money for a learner of your choice, as long as they are South African citizens.

If the learner you choose does not start their studies, you may choose a new learner.

The learner must study at a public place of learning (public college or university) recognised by the National Student Financial Aid Scheme (NSFAS).

## How will the money be paid out?

When the learner is ready to start their studies, you must tell the bank. Bring the Confirmation of Investment with you. The Standard Bank Fundisa Fund will give the learner an award certificate that will show the amount saved. The learner must take the award certificate to the place of learning where they have enrolled. The place of learning will then advise the NSFAS of the learner's details and apply for the money from the Standard Bank Fundisa Fund. The Standard Bank Fundisa Fund will pay the money directly to the place of learning through NSFAS. If the learner does not study, the Bonus portion will be returned to the Government. The money you put into the Standard Bank Fundisa Fund will always be available to withdraw – with no penalties.

## How much must I save every month?

The smallest amount that you can save each month is R40. If you save R200 or more a month, you will receive the maximum bonus of R600 per year.

## How will my money grow?

The Standard Bank Fundisa Fund will invest your money with banks to earn interest.

Your money will also be invested in Government bonds to earn extra growth.

The bonus you qualify for will be paid to your account in January every year.

I, the undersigned

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(insert full name and surname) have completed and submitted an application form for the Standard Bank Fundisa Fund.

This Standard Bank Fundisa Fund Confirmation of Investment is proof of submission of the application form only and Standard Bank/STANLIB will not process this application form unless all sections have been correctly completed and all documentation supplied.

If you have any questions about your investment, please contact our Contact Centre on 0860 FUNDISA (3863472)

Signature of investor \_\_\_\_\_

Print name \_\_\_\_\_

Date \_\_\_\_\_ - \_\_\_\_\_ - 20\_\_\_\_

Assisted by \_\_\_\_\_

*(for persons without contractual capacity)*

## Bank branch details:

Branch name \_\_\_\_\_

Branch code \_\_\_\_\_

Date \_\_\_\_\_ - \_\_\_\_\_ - 20\_\_\_\_

Branch stamp



 **STANLIB**

17 Melrose Boulevard, Melrose Arch, Johannesburg  
0860 FUNDISA (3863472)

STANLIB Collective Investments Limited  
Reg. No 1969/003468/06

 **Standard Bank**

The Standard Bank of South Africa Limited (Registered Bank)  
Reg. No 1962/000738/06 SBSA 300433-5/05

