



FOR PROFESSIONALS

SINCE 1941

TAKE CONTROL OF YOUR
**PPS PROFIT-SHARE
ACCOUNT**

CHOOSE YOUR
INVESTMENT PORTFOLIO



THE PPS PROFIT-SHARE ACCOUNT

THE PPS PROFIT-SHARE ACCOUNT IS
AN EXCLUSIVE RETIREMENT BENEFIT
AVAILABLE TO PPS MEMBERS.

BEING A MEMBER OF A MUTUAL COMPANY

As a mutual company, PPS has no external shareholders and operates solely for the benefit of its members. Therefore, 100% of the profits generated by the company are shared among PPS members* through the PPS Profit-Share Account.

As a PPS member, you receive profit allocations to your PPS Profit-Share Account based on the qualifying products you hold with PPS Insurance and you could earn additional profit allocations from Profmed products and by investing with PPS Investments. Profit allocations are distributed to the PPS Profit-Share Account and invested on your behalf before becoming accessible at retirement via the Vested PPS Profit-Share Account.

The Vested PPS Profit-Share Account allows you to keep your accumulated profits invested for further growth while continuing to earn further profits as part of your investments with PPS Investments providing you with a unique retirement benefit.

*As part of a PPS Provider™ policy

WAYS TO INCREASE YOUR PROFIT-SHARE ALLOCATION

1.

Hold qualifying provider products for all your insurance needs with PPS Insurance.

2.

Hold qualifying products for all your medical aid needs with Profmed.

3.

Invest in PPS Investments' solutions and through the PPS Funds.

4.

Link your child(ren)'s and/or spouse's OPN and PPS Investment solutions to your PPS Member number.

PHASES OF THE PPS PROFIT-SHARE ACCOUNT

ACCUMULATION PHASE

Before age 55

During this phase, all the profit allocations are invested in the default Pooled PPS Profit-Share Account Portfolio (High Equity), which targets a return of 5.3% above inflation over rolling 5-year periods. This portfolio aims to achieve maximum levels of capital growth over the long term. The mandate of the portfolio is to hold 50% or more of its assets in equities. The portfolio typically holds around 70% in equities and is therefore emphatically weighted towards capital growth assets.

YOUR CURRENT PHASE:

PRE-RETIREMENT PHASE

Age 55 to retirement

When you reach this phase, you can take control of the investment strategy of your PPS Profit-Share Account by choosing how your accumulated profits are invested through the **PPS Profit-Share Account Portfolio Choice** to align with the investment strategy of your other retirement assets.

You can exercise your Portfolio Choice on your PPS Profit-Share Account annually until you reach retirement.

By choosing not to exercise your Portfolio Choice and remain invested in the default Pooled PPS Profit-Share Account Portfolio (High Equity), you should be comfortable that you either have enough time until your intended retirement to make up potential market losses or can withstand the financial impact of retiring with a potentially smaller accumulated profit-share value.

While equity tends to outperform other asset classes (such as property, bonds and cash) over the long term, it also results in short-term volatility and heightens the risk of losing capital over shorter periods. It is therefore essential that your portfolio selection is not based purely on performance history, but also takes your risk profile as well as time horizon until your retirement into account.

YOUR PORTFOLIO CHOICES

From the age of 55, PPS offers you the opportunity to invest your profits in one of three portfolios. You can select one of the following portfolio choices:

1.

▪ MEDIUM EQUITY PORTFOLIO

This portfolio seeks to provide a total return of 4% above inflation over the long term. The mandate of the portfolio is to hold no more than 60% of its assets in equities. It provides considerable exposure to capital growth assets and reduced exposure to income-generating assets. It is suited to investors who place a significantly larger emphasis on targeting inflation-beating returns rather than on limiting exposure to short-term market fluctuations. You can consider this portfolio if you have an expected investment horizon of at least five years.

2.

▪ LOW EQUITY PORTFOLIO

This portfolio seeks to provide a total return of 2% above inflation over the medium term. The mandate of the portfolio is to hold no more than 40% in equities. It primarily provides exposure to assets likely to result in stable capital growth as well as exposure to income-generating assets. It is suited to investors who place a relatively larger emphasis on targeting inflation-beating returns rather than on limiting exposure to short-term market fluctuations. You can consider this portfolio if you have an investment horizon of at least three years.

3.

▪ **FIXED INTEREST PORTFOLIO**

This portfolio has a strong income bias in excess of a broad fixed income market index. The mandate of the portfolio is to hold no more than 10% in equities. It provides greater exposure to in-come-generating assets and reduced exposure to capital growth assets. It is suited to investors who place a larger emphasis on limiting exposure to short-term market fluctuations rather than on targeting inflation-beating returns. You can consider this portfolio if you have an investment horizon of one to three years.

Alternatively, you can choose to remain invested in the default Pooled PPS Profit-Share Account Portfolio (High Equity).

NB: These portfolios have varying degrees of risk and are subject to movements in the markets.

RETIREMENT PHASE

From age 60

From the age of 60, the profits you've accumulated through the PPS Profit-Share Account over the course of your PPS membership can be vested in your name via the Vested PPS Profit-Share Account. Once your PPS Profit-Share Account vests, you are able to utilise your accumulated profits through the Vested PPS Profit-Share Account as part of your retirement planning. In addition, any profit share allocations earned on your investments with PPS Investments will be paid into your...

VESTED PPS PROFIT-SHARE ACCOUNT.

BENEFITS OF THE VESTED PPS PROFIT-SHARE ACCOUNT

1.

It allows you to reinvest your accumulated profit share to generate more capital growth.

2.

Use it to supplement and prolong your retirement savings by making withdrawals when necessary.

3.


Provides you with an opportunity to continue sharing in PPS profits attributable to PPS Investments.

4.

Withdrawals are net of tax and therefore the tax reporting is not your responsibility.

5.

It gives you access to premium unit trusts via PPS Multi-Managers.



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PPS Investments is only available in South Africa.



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