

# Investments: Frequently asked questions

**1 What are the risks of investing in any of the investment products?**

- There are no risks to you.
- All funds invested in these accounts are treated the same as any other bank-guaranteed investment account.

**2 Are there any fees or commissions linked to any of the investment products?**

- With the exception of Money Market Investment Account, where full service fees are payable if the balance drops below R20 000 and/or debits are less than R500, there are no monthly management fees or commissions on our investment products.
- There are, however, instances when cash deposit fees will apply. For most of our investment products the first four deposits per calendar month that collectively do not exceed R5 000 will be free, whereafter cash deposit fees are charged.
- Cash deposit fees for Money Market Investment Accounts differ from the above. Please visit [nedbank.co.za](http://nedbank.co.za) for a full fee breakdown on Money Market Investment Accounts.

**3 Will I receive a card with any of the investments accounts?**

- The only investment that may be linked to a card is the Nedbank Money Market Investment Account.

**4 Can I add or withdraw funds from a fixed-term deposit during the investment term?**

- It depends on the product you've chosen.
- Additional deposits and withdrawals are not permitted on fixed-term deposits, such as Fixed Deposit, OptimumPlus and StepUp. EasyAccess Deposit Accounts allow for withdrawals without a penalty during investment term. PrimeSelect allows additional deposits and withdrawals.

**5 What if I require the funds before the end of the investment term on a fixed-term deposit?**

- Funds may only be released under certain circumstances, such as death or insolvency of the accountholder or extreme financial hardship, and a penalty fee may be charged.
- Early releases are at the bank's discretion.

**6 What are the risks of investing in a Green Savings Bond?**

- As with any other investment product, there are no risks for clients who invest in the Nedbank Green Savings Bond.
- All funds invested are guaranteed by the bank, they are just earmarked for funding of renewable-energy projects.

**7 Can the Nedbank Green Savings Bond be sold or traded on the stock market?**

- No.

**8 The Bonus Fixed Deposit rewards me with bonus interest if interest rates rise. Does this bonus interest increase as the balance on a Bonus Fixed Deposit increases?**

- No, the bonus interest is directly linked to increases in prime and is capped at 2%.

**9 What is the difference between the Nedbank MoneyTrader and JustInvest?**

- A flat interest applies to the Nedbank MoneyTrader regardless of the balance in the account, unlike the tiered rates on a JustInvest.
- The minimum opening deposit for a Nedbank MoneyTrader is R50 000 whereas the minimum opening deposit for a JustInvest is R5 000.
- Stop orders on a Nedbank MoneyTrader may only be processed monthly while stop orders for JustInvest can be processed weekly or monthly.
- The minimum additional deposit on a Nedbank MoneyTrader is R5 000 and the minimum additional deposit on a JustInvest is R500.
- The minimum withdrawal amount on a Nedbank MoneyTrader is R5 000 and the minimum withdrawal allowed on a JustInvest is R500.

**10 What is the difference between a NedTerm and a 32Day Notice Deposit?**

- A traditional 32-day notice deposit requires that you provide 32 days' notice to access your funds.
- NedTerm does not provide you access to your funds for the first 32 days that the funds are in the account. Thereafter you need to provide only 24 hours' notice to access your funds.
- If interest rates decrease, your NedTerm investment is protected against the rate decrease for 32 days. However, should the interest rate increase, you receive the benefit of the rate increase immediately.
- Interest rate increases and decreases on 32Day Notice Accounts are applied immediately.

**11 I don't understand how the interest on a StepUp Deposit works. How is it calculated?**

- The interest rate you get is not fixed. It is determined by a simple formula: the prime rate less the 'prime minus' rate. The 'prime minus' decreases every quarter – for example in quarter 1 it could be 3,15, then in quarter 2 it could be 3,05 then in quarter three it could be 2,95 (see the example in the table below). These quarterly decreases are communicated upfront. So if prime stays the same, then your rate actually goes up over time. But remember that prime can change, so clients will be affected by an immediate interest rate change when there is an increase or decrease in the prime lending rate.

Balance		Prime as at 18 march 2016	Prime minus %	Prevailing rate	Quarterly increment
R1 000 or more	Quarter 1	10,50%	3,15%	7,35%	
	Quarter 2	10,50%	3,05%	7,45%	0,10%
	Quarter 3	10,50%	2,95%	7,55%	0,10%

	Quarter 4	10,50%	2,85%	7,65%	0,10%
	Quarter 5	10,50%	2,75%	7,75%	0,10%
	Quarter 6	10,50%	2,65%	7,85%	0,10%
	Quarter 7	10,50%	2,55%	7,95%	0,10%
	Quarter 8	10,50%	2,45%	8,05%	0,10%
	Quarter 9	10,50%	2,35%	8,15%	0,10%
	Quarter 10	10,50%	2,25%	8,25%	0,10%
	Quarter 11	10,50%	2,15%	8,35%	0,10%
	Quarter 12	10,50%	2,05%	8,45%	0,10%

**12 What other channels can I use to apply for an investment other than the branch and the website?**

- You can apply through the Nedbank Contact Centre on 0860 555 111.
- Use netbank.co.za – only available if you have an existing Nedbank internet banking profile.

**13 Where can I find more information on the different interest rates that I see displayed for fixed-term deposits.**

- [Click here](#) to get more information on understanding the different interest rates.

**14 Do I pay tax on the interest earned on my investments with Nedbank?**

- Yes. The bank will issue an income tax certificate (IT3b) after February every year. Certificates are issued only when at least a minimum amount of interest has been earned, as prescribed by the South African Revenue Services (SARS) from time to time.
- Each individual's tax situation is different and Nedbank recommends that you seek advice from a suitably qualified tax or financial consultant.

**15 How much money can I contribute to my Tax-free Savings Account?**

- While the interest earned on your account is tax-free, there are certain legislated limits on how much you are allowed to invest. At present each individual is allowed to contribute up to R30 000 per tax year (1 March to the last day of February). The total lifetime limit that any individual may contribute towards the tax-free savings is R500 000.

**16 Can I withdraw money from my Tax-free Savings Account?**

- You may make withdrawals on the funds invested in this product. It is, however, important to note that any amounts 'paid back' into the Tax-free Savings Account will be added onto the amounts that you have already contributed.

For example, if you invest R30 000 as a lump sum and midway through the year you need to access R10 000, you may withdraw the R10 000. However, should you wish to replace that R10 000 during the same financial year, this will be seen as an over contribution since you already contributed R30 000 during the year. The R10 000 that you 'replace' will

be added to your annual cumulative contribution amount and will take your total cumulative contribution for the year to R40 000, which means you will be taxed by SARS on the R10 000.