

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?

No monthly management fees or commissions are payable on our investment products. However, cash deposit fees will apply in some instances. For most of our investment products the first four deposits per calendar month that collectively do not exceed R5 000 will be free. Thereafter, cash deposit fees are charged.

The exception to the above is the Money Market Investment Account, as full service fees are payable if the balance drops below R20 000 and/or debits are less than R500. Please visit nedbank.co.za for a full fee breakdown on Money Market Investment Accounts.

3 Will I receive a card for any of the investment 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 the Electronic Fixed Deposit, OptimumPlus and Nedbank Green Savings Bonds. EasyAccess Deposit accounts allow for withdrawals during the investment term without a penalty. PrimeSelect also 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 be released only under certain circumstances, such as death or insolvency of the accountholder or extreme financial hardship, and a penalty fee may be charged. You will need to visit a branch to apply for the early release of funds and you will need to present supporting documents. Early releases are at the bank's discretion.

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

As with any of our other investment products, there are no risks to clients who invest in the Nedbank Green Savings Bond.

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

No.

8 What are the differences between the Nedbank MoneyTrader and JustInvest?

- A flat interest rate applies to the Nedbank MoneyTrader regardless of the balance in the account, unlike the tiered rates for JustInvest.
- The minimum opening deposit for Nedbank MoneyTrader is R50 000, whereas the minimum opening deposit for JustInvest is R500.
- The minimum additional deposit for Nedbank MoneyTrader is R5 000, and the minimum additional deposit for JustInvest is R100.
- The minimum withdrawal amount for Nedbank MoneyTrader is R5 000, and the minimum withdrawal allowed for JustInvest is R100.
- Stop orders on Nedbank MoneyTrader may be processed monthly only, while stop orders for JustInvest can be processed weekly or monthly.

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

You can:

- call the Nedbank Contact Centre on 0860 555 111; or
- use netbank.co.za or the Nedbank Money app if you have an existing Nedbank Internet Banking profile.

10 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.

11 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 once a minimum amount of interest has been earned, as prescribed by the South African Revenue Services (SARS) from time to time. The tax certificate will display interest earned during the year, regardless of whether the interest has been paid out or whether it is still being accrued. Each individual's tax situation is different and Nedbank recommends that you seek advice from a suitably qualified tax or financial consultant.

12 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. Currently each individual is allowed to contribute up to R33 000 per tax year (1 March to the last day of February). The total lifetime limit that any individual may contribute towards a tax-free savings account is R500 000.

13 Can I withdraw money from my tax-free savings account?

You may withdraw from 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 to the amounts you have already contributed. For example, if you invest R33 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 overcontribution since you already contributed the allowed maximum of R33 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 R43 000, which means you will be taxed by SARS on the R10 000.

14 Can I transfer funds from one tax-free savings account to another?

You can transfer the funds held in your tax-free savings account to one held with another financial institution. You will need to visit a branch and present a transfer-in request from the receiving institution to transfer the funds between financial institutions. Transfers can take up to 10 business days to complete.

15 What is an Electronic Fixed Deposit?

The Electronic Fixed Deposit is a fixed-term product with a minimum term of one month and a maximum term of 17 months. It can be opened on digital platforms only by using a digital banking profile and PIN. The Electronic OptimumPlus is exactly the same offering as the Electronic Fixed Deposit, but for clients aged 55 years and older.

16 What are the differences and similarities between a fixed deposit and an Electronic Fixed Deposit?

Similarities

- The interest rate is fixed for the duration of the agreement and cannot be changed during the investment term.
- Interest is calculated daily and can be paid out monthly, quarterly, half-yearly, annually or on expiry.
- The minimum opening deposit is R1 000.
- No withdrawals and additional deposits are allowed.

Differences

- The Electronic Fixed Deposit can be opened only through digital channels and not at a branch or through the Nedbank Contact Centre.
- Clients benefit from higher interest rates on the Electronic Fixed Deposit.
- The Electronic Fixed Deposit has investment terms ranging from one to 17 months.

17 Will I receive statements for my investment?

Monthly statements are generated for all notice deposits with a balance exceeding R5 000. If you opt for eStatements, you will receive a statement for all notice deposits, regardless of the account balance. You can choose to receive your investment statements by email, MMS or post and you can change your statement preference anytime during your investment term. You can choose to suppress statements for your investments, in which case no statements will be generated.

18 What will happen if I don't issue an instruction regarding my maturing investment?

If you don't issue an instruction before an investment matures, we will reinvest the funds held in the investment. In most cases the funds will be reinvested into the same product, over the same term. If the product or investment term are no longer available or applicable, your funds will be reinvested into the closest aligned product and term.