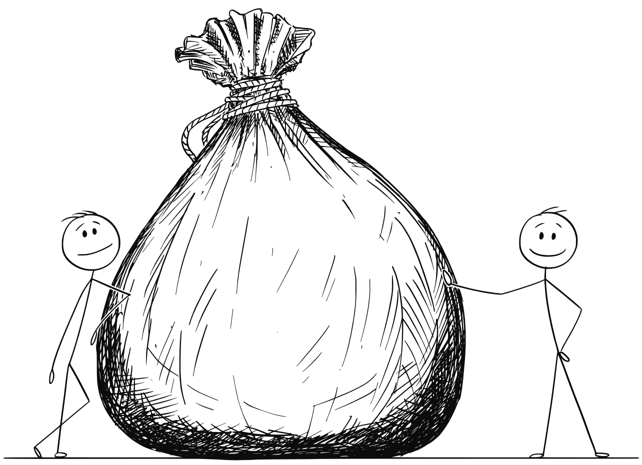
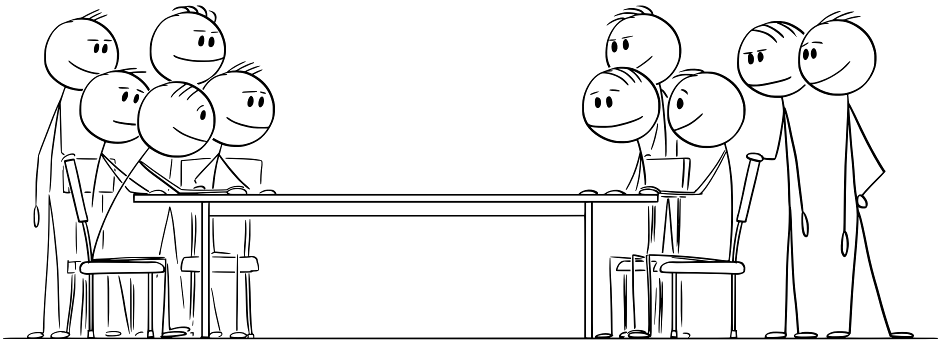
PRISM
EMPLOYEE BENEFITS

EDUCATIONALS

REGISTERED FUND VS STOKVEL: WHAT'S THE DIFFERENCE?



WHAT IS A REGISTERED FUND?



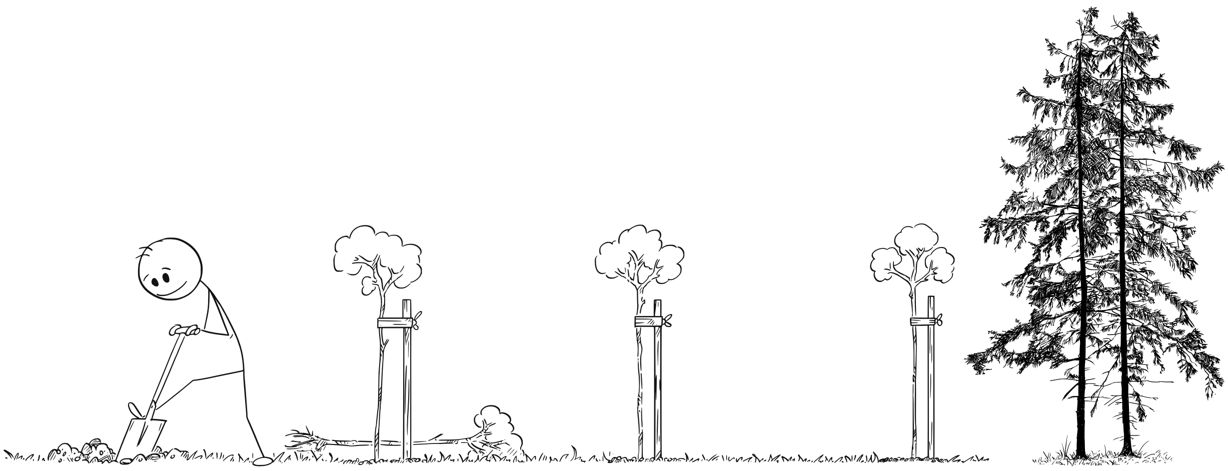
A REGISTERED FUND IS A FORMAL INVESTMENT PRODUCT REGULATED BY THE GOVERNMENT (UNDER THE FINANCIAL SECTOR CONDUCT AUTHORITY – FSCA).

THESE INCLUDE:

Retirement Savings funds
Retirement annuities (RAs)
Unit trusts / investment funds
Tax-free savings accounts (TFSAs)

FEATURES:

- Managed by licensed professionals
- Invests in a mix of shares, property, bonds, etc.
- Regulated (e.g. Reg 28 for retirement funds)
- Usually for long-term savings (e.g. retirement)
- Offers compound growth and often tax benefits

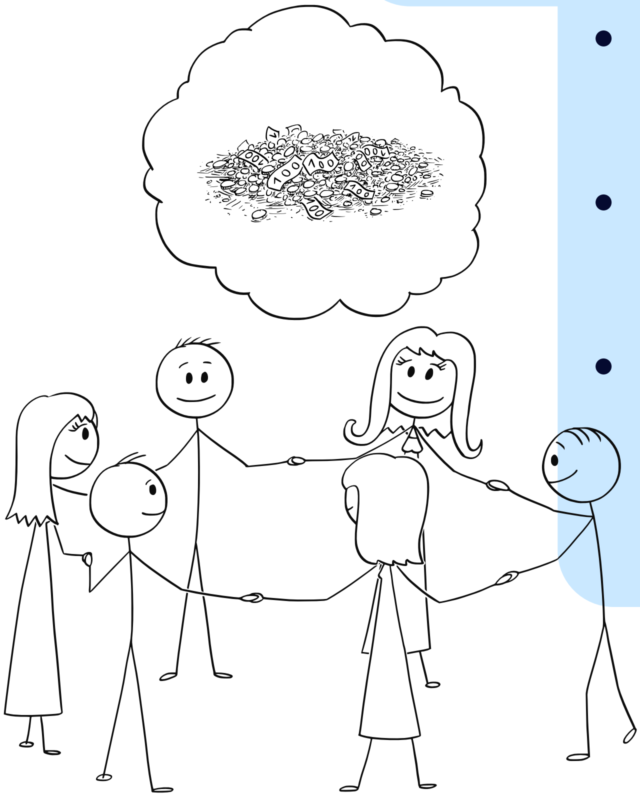


WHAT IS A STOKVEL?

A STOKVEL IS A COMMUNITY-BASED SAVINGS GROUP. MEMBERS CONTRIBUTE MONEY REGULARLY AND DECIDE TOGETHER HOW THE MONEY IS USED — FOR LOANS, LUMP-SUM PAYOUTS, FUNERALS, INVESTMENTS, OR GROCERIES.

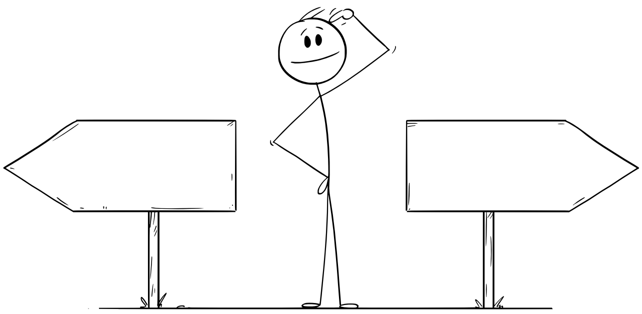
FEATURES:

- BASED ON TRUST AND COOPERATION
- OFTEN CASH-BASED OR INFORMAL
- RUN BY THE GROUP, NOT LICENSED PROFESSIONALS
- GREAT FOR SHORT-TERM NEEDS OR GROUP GOALS
- NO FORMAL REGULATION — DEPENDS ON GOOD GOVERNANCE AND HONESTY



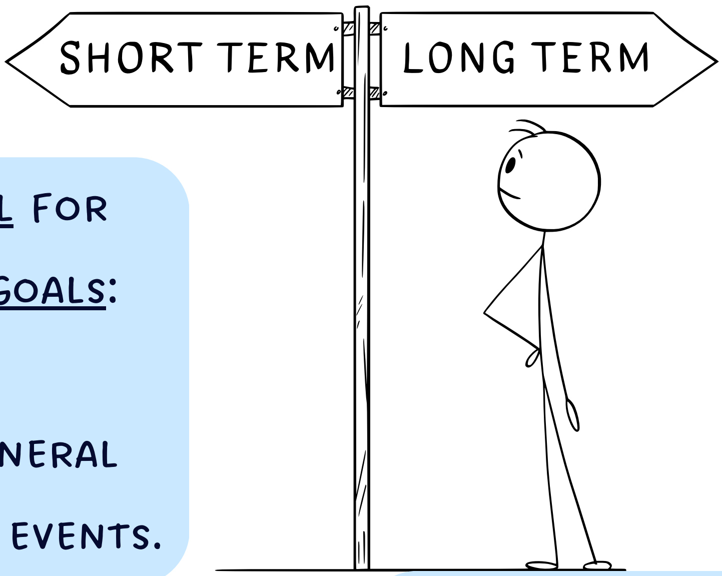
SIDE-BY-SIDE COMPARISON

Feature	Registered Fund	Stokvel
Who manages it?	Licensed professionals	Members of the group
Regulated by law?	Yes (FSCA, Reg 28, etc.)	No (voluntary code of conduct, if any)
Where is the money kept?	With a bank or investment platform	Often in a bank account or in cash
Investment returns?	Can grow through shares, bonds, etc.	Only if the stokvel invests; often none
Risk	Regulated, diversified investments	Depends on group trust and management
Payouts	At retirement or when fund matures	Regular lump-sum or as agreed
Tax benefits?	Yes	No tax benefits
Best for	Long-term retirement or wealth building	Short-term saving or community goals



WHICH ONE SHOULD I CHOOSE?

YOU DON'T HAVE TO CHOOSE ONE OR THE OTHER — YOU CAN DO BOTH, DEPENDING ON YOUR GOALS:



USE A STOKVEL FOR SHORT-TERM GOALS:

GROCERIES, FUNERAL SAVINGS, FAMILY EVENTS.

USE A REGISTERED FUND FOR LONG-TERM GROWTH:

RETIREMENT, BUILDING WEALTH, BIG LIFE GOALS.

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