



Table of Contents

1. AIMS AND OBJECTIVES.....	2
2. MEMBERSHIP	2
3. TERMINATION OF MEMBERSHIP	2
4. THE EXECUTIVE COMMITTEE	2
5. FINANCIAL YEAR.....	3
6. SAVING.....	3
7. WITHDRAWALS	3
8. PROPERTY INVESTMENT.....	3
9. INTEREST.....	4
10. LOANS	4
11. CRITERIA FOR APPROVAL OF LOANS	5
12. RISK MANAGEMENT	5
13. ANNEXURES	6



1. Aims and Objectives

The purpose of this document is to outline the rules and policies; and to provide information on important aspects of membership to the SAVETOINVEST® membership programme. The goal of the programme is to provide members with an integrated solution for saving, borrowing, investing in property, and to build dream homes for members.

All members will be required to abide by the rules and policies, and any activities undertaken must comply with the rules and policies adopted by members.

2. Membership

- a. Membership is based on an endorsement policy whereby any new member must be endorsed by two existing members following a meeting or recommendation by one existing member to another existing member.
- b. There are no membership fees.
- c. The number of members is not limited.

3. Termination of Membership

- a. Membership can be terminated either voluntarily or by expulsion at any time, however the termination of membership will not affect the withdrawal of savings as outlined in the withdrawal policy.

4. The Executive Committee

- a. The executive committee consists of the Chairperson, Secretary and Treasurer.
- b. The executive committee shall serve for a period of 5 years and may be re-elected at the annual general meeting.
- c. Members of the executive committee will be required to carry out their duties in accordance with the rules and policies, failing which they may be removed before expiry of the 5-year period.
- d. The de facto executive committee shall serve until 30 November 2027.

4.1 Responsibilities of the Chairperson.

- a. To lead all activities and ensure that the rules and policies are followed.
- b. Mitigate risks and protect members' savings.
- c. Identify opportunities for growth and development.



4.2 Responsibilities of the Secretary

- a. Ensure that members' information is updated, maintained accurately, and protected.
- b. Promote and foster social relationships.
- c. Communicate activities with all members.

4.3 Responsibilities of the Treasurer

- a. Update and maintain accurate records of all financial activity.
- b. Prepare monthly and annual records required by members and statutory bodies.

5. Financial Year

Each financial year begins on 1 December of one year and ends on 30 November of the following year. The current financial is 1 December 2023 - 30 November 2024.

6. Saving

- a. Each member sets their own target of how much to save in a year from 4 options provided below (see [Annexure A](#)).
- b. There is no minimum requirement for how much each member must save per month.
- c. Deposits of savings must be made to the account details below (see [Annexure B](#)).

7. Withdrawals

- a. The withdrawal period of savings for each preceding financial year is from December to January; for the current financial ending 30 November 2024, withdrawals will be made from 1 December 2024 to 31 January 2025.
- b. Any amounts owed by a member for loans will be reviewed when withdrawals are made and a decision to offset will be taken on a case-by-case basis.
- c. The maximum amount that can be withdrawn during the payout period is R9,000.00 irrespective of the total amount saved for the financial year (see [Annexure C](#)).

8. Property Investment

- a. The property investment portfolio includes residential and commercial property development focused on townships.
- b. Members participate in the property investment portfolio by buying shares in VANGARDE PROPERTY FUND (PTY) LTD.
- c. Share purchases are automatically funded at the end of the financial year with the balance of savings are payouts (see [Annexure C](#)).



9. Interest

- a. Interest on loans is divided among members who have chosen for their savings to be used for loans on a pro rata basis according to how much of each member's savings are used for such loans.
- b. Interest is paid out to members who have chosen for their savings to be used for loans during the withdrawal period.
- c. The total amount of interest paid out to members is based on *interest received* on loans and not *interest accrued* when loans are issued.

10. Loans

We offer two types of loans, namely single payment loans and multiple payment loans.

A single payment loan is:

- a. A loan of any amount from R 1000.00 up to R 5000.00,
- b. That is repaid with one payment on a date chosen by the borrowing member,
- c. Payment not collected by debit order,
- d. Can be paid back in full i.e., the full amount borrowed, interest and fees or just a portion i.e., a portion of the amount you borrowed, interest and fees or interest and fees only, however interest and fees must always be paid,
- e. Any portion of the loan not paid back is deducted from member's savings,
- f. If the loan, whether in full or a portion of it is not paid back on the due date, additional interest is calculated up to the date on which a payment is made or up to the last day of the month in which the loan is due, whichever comes first.

A multiple payment loan is:

- a. The balance above R 5000.00 from the total amount that is borrowed e.g., if a member borrows a total of R 9000.00, the balance of R 3 000.00 is a multiple payment loan.
- b. The loan can be paid back in instalments of either 3, 6, 9 or 12 months.
- c. The instalments only start after the single payment loan payment due date. The first payment is one month after the payment due date for the single payment loan.
- d. Payment collected by debit order.



11. Criteria for Approval of Loans

- a. Members qualify for loans based on how much they have in savings.
- b. Total monthly instalment payments including interest and fees for multiple payment loans must not exceed 15% of income.
- c. In terms of Regulation 23A(4) of the NCR (National Credit Regulator) Regulations, a credit provider must take practicable steps to validate gross income, therefore borrowing members may be required to provide the following to PIVOT PTY LTD in their capacity as our representative registered credit provider when applying for a multiple payment loan.
 - i. Bank statements showing latest three (3) salary deposits if you receive a salary from an employer.
 - ii. Latest three (3) months bank statements of latest financial statements if you are self-employed, informally employed or employed in such a way that you do not receive a salary, a payslip, or any proof of income.

12. Risk Management

- a. The risk of default on single payment loans is avoided with the rule that members always qualify for loans of up to R5 000 in direct proportion to how much they have in savings.
- b. The risk of default on multi payment loans is mitigated with the use of a variable multiplier in the formula: $((Savings - R5\ 000) \times multiplier)$. The multiplier indicates how much of the loan is funded by members' savings.
- c. The default variable for the multiplier is one (1) to allow members to qualify for loans in direct proportion to how much they have in savings.
- d. Any decision whether to increase the multiplier above one (1) to allow members to qualify for loans above how much they have in savings, or to reduce the multiplier below one (1) for members to qualify for loans below how much they have in savings, is made by the Executive Committee.



13. Annexures

Annexure A: Saving target options.

Option 1	Option 2	Option 3	Option 4
Up to R9 000	Up to R18 000	Up to R27 000	Up to R36 000

Annexure B: Banking details

Bank	FNB
Account holder	Vangarde Property Fund (Trust Account)
Account number	63079633583
Branch code	250655
Reference	Use your reference (ZAXXXXXXXX)

Annexure C: Withdrawals

Balance	Up to R9 000	Up to R18 000	Up to R27 000	More than R27 000
Withdraw (savings)	0%	50%	33%	25%
Invest (property)	100%	50%	67%	75%