

# LOCAL INVESTMENTS

THINK WORLD CLASS

glacier  
by Sanlam

# INTRODUCING GLACIER

Glacier by Sanlam brings together leading experts and respected financial services companies to meet clients' investment needs. We deliver focused financial services through specialist teams, and pride ourselves on being a chosen partner of acclaimed financial intermediaries through our superior solutions and our quality service.

Our collection of financial solutions has been designed to span a lifetime, and to fulfil the needs each life stage may bring – whether you are focusing on the creation or the preservation of your wealth.

Our offering encompasses local investments, including fixed-term investments and investments with guarantees, international investments, retirement saving solutions and retirement income solutions.

While each solution has its own distinct purpose, they all share the world-class quality and commitment that have come to distinguish Glacier.

# INVESTMENT SOLUTIONS AVAILABLE THROUGH GLACIER

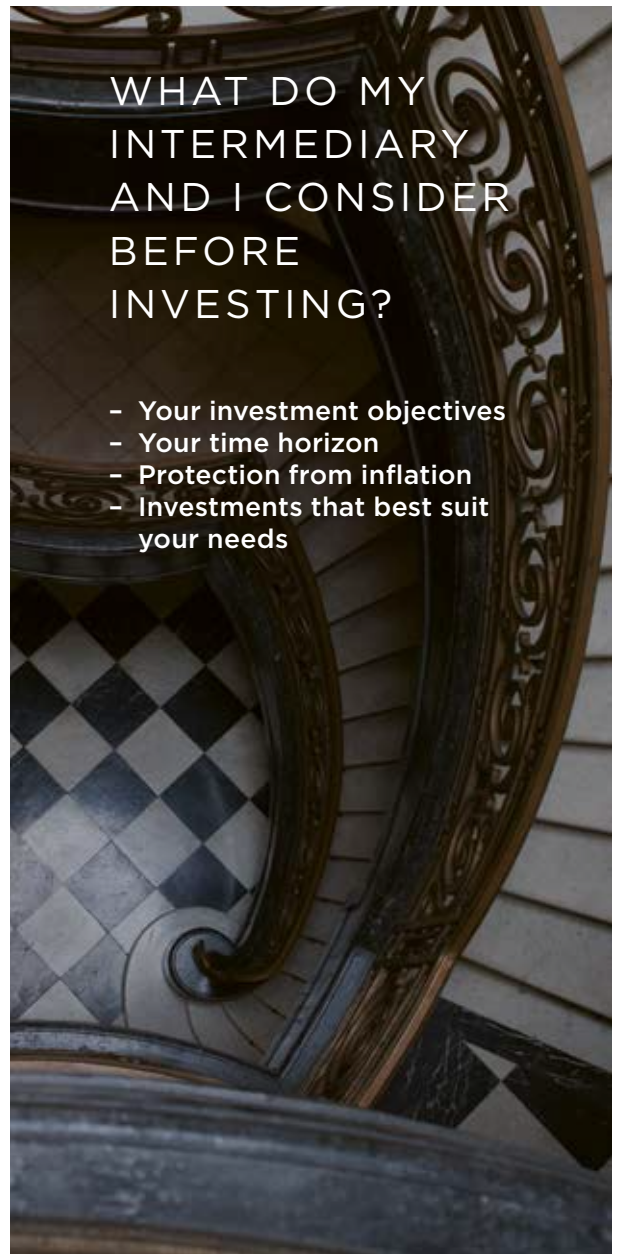
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You know what you want in life, and you work hard to secure your future and that of your family. So it makes sense to put your money to work too. You can invest in the financial markets to grow your assets – whether it is to pay off debt, save for your children’s education, contribute to your retirement savings, or simply to ensure financial security.

**OUR RANGE OF INVESTMENT SOLUTIONS CAN HELP YOU BUILD A SECURE FUTURE FOR YOU AND YOUR FAMILY.**

WHAT DO MY INTERMEDIARY AND I CONSIDER BEFORE INVESTING?

- Your investment objectives
- Your time horizon
- Protection from inflation
- Investments that best suit your needs



# LINKED INVESTMENT PLATFORM SOLUTIONS



## YOU ARE IN CONTROL

Glacier, as an [administrative financial services provider](#), administers the investment. We provide the investment platform and execute your instructions. Your financial intermediary will provide you with advice and help you manage your investment in accordance with your investment objectives and tolerance for risk. You select the underlying investments and instruct Glacier when and how to adjust your investment.

### Within our investment plans, you can:

- invest your money in a range of investment options;
- structure your investment in accordance with the level of risk you are willing to tolerate;
- switch between investment choices as your needs and circumstances change, and
- obtain around-the-clock online access to view and transact on your investments.

## AVAILABLE INVESTMENT OPTIONS

- Glacier offers the [widest range of collective investment funds](#), managed by respected collective investment management companies, with exposure to a variety of asset classes.
- You may also invest in wrap funds, managed by discretionary investment managers.
- You can invest a portion of your investment amount in a portfolio of listed shares.
- For more risk-averse investors, we offer a select range of investment options that offer some protection against adverse market conditions.

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### WRAP FUNDS

A wrap fund is a portfolio consisting of underlying collective investment funds managed or “wrapped” according to a specific investment mandate.

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**We empower your intermediary to help you make appropriate decisions.**

Glacier’s research team conducts ongoing, robust fund research and provides valuable insights to help intermediaries make informed investment choices for their clients.

## INVESTING IS NOT WITHOUT RISK, AND RETURNS ARE NOT GUARANTEED

Financial markets are unpredictable and fluctuate daily. The value of your investment can therefore rise and fall, and there is no guarantee, either with respect to the capital or the return on the investment, on most of our solutions. Some of our investment solutions, however, do provide certain guarantees.

It is important that the investment portfolio you select is in line with your investment risk profile. Your financial objectives and personality determine how much investment risk you are willing to take on, and your intermediary will help you determine the level of risk that is right for your personal circumstances.

## OVERVIEW OF GLACIER'S INVESTMENT SOLUTIONS

Your investment can take the form of the Investment Plan, Vantage Life Plan (endowment policy), Vantage Plan (sinking fund policy) or the Tax-Free Investment Plan.

The Glacier Investment Plan	The Glacier Vantage Life Plan (Endowment)	The Glacier Vantage Plan (Sinking fund)	The Glacier Tax-Free Investment Plan
Minimum contribution <b>R100 000 lump sum</b>	Minimum contribution <b>R100 000 lump sum</b>	Minimum contribution <b>R100 000 lump sum</b>	Maximum contributions <b>R33 000 per year and R500 000 per lifetime</b>
Investment period <b>Minimum 3 to 5 years recommended</b>	Investment period <b>Minimum 5 years</b>	Investment period <b>Minimum 5 years</b>	Investment period <b>Minimum 3 to 5 years recommended</b>
<b>Features</b> <ul style="list-style-type: none"> <li>– Flexible investment term.</li> <li>– Easy access to your money.</li> <li>– Change your contributions or stop contributing at any time.</li> </ul>	<b>Features</b> <ul style="list-style-type: none"> <li>– Potential tax benefits.</li> <li>– The proceeds of the investment can be paid to your beneficiary on your death.</li> <li>– Assets are protected against creditors.</li> </ul>	<b>Features</b> <ul style="list-style-type: none"> <li>– Potential tax benefits.</li> <li>– The investment can continue in the name of a loved one after your death.</li> </ul>	<b>Features</b> <ul style="list-style-type: none"> <li>– Any interest, dividends and capital gains earned are tax-free.</li> <li>– Easy access to a contribution report to monitor your annual and lifetime contribution limits.</li> </ul>



# THE GLACIER INVESTMENT PLAN

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INVEST YOUR  
CAPITAL AND  
GROW YOUR  
WEALTH IN  
A PERSONAL  
INVESTMENT  
PORTFOLIO,  
**CUSTOMISED** BY  
YOU AND YOUR  
INTERMEDIARY TO  
SUIT YOUR NEEDS  
AND TOLERANCE  
FOR RISK.

## CUSTOMISED INVESTMENT PORTFOLIO

- Structure your portfolio according to the level of risk with which you're comfortable.
- Change your investment fund selection at any time, at no charge.

### YOU HAVE COME TO THE RIGHT PLACE

The Glacier Investment Plan offers:

- **Easy investment and flexibility:** Collective investments are a convenient way to invest in the market. Should your needs or risk profile change, you and your intermediary can simply adjust your portfolio, at no additional cost. Glacier charges no fee for processing your switch between collective investments.
- **Risk diversification:** You don't have to put all your eggs in one basket. Spread your investment across different asset classes, such as equities, bonds and cash, thereby ensuring that your investment suits your individual circumstances and tolerance for risk. Glacier offers the widest range of investment options of any local investment platform.
- **Accessibility:** You have easy access to your funds and can make withdrawals at any time by selling units. You may also choose to make regular, scheduled withdrawals.
- **No prescribed minimum investment term:** You have access to your funds. However, it is an accepted industry guideline that you keep investments in collective investment funds for a minimum of three years for your investment to grow and to reduce the effect of short-term market volatility.

### THE GLACIER CASH OPTION

The Glacier Cash Option offers a cost-effective "parking place" for funds waiting to be invested elsewhere, or for investors looking for a low-risk, cash-type investment. You can switch to and from the Cash Option whenever you and your intermediary consider it an appropriate time to do so.

This option offers access to the Glacier Money Market Fund and a select range of fixed income funds, and no administration fees are applicable.

### MAKING THE INVESTMENT

A minimum lump sum investment amount of R100 000 is required, and you may add to the investment at any time, subject to certain minimums, whether on an ad hoc basis or by making monthly scheduled investments. There is no penalty if you stop your regular investments.

### TAX WILL AFFECT YOUR INVESTMENT

#### Interest

- Local interest earned on your investment is taxable at your marginal rate, but a rebate may apply.
- Foreign interest is fully taxable at your marginal rate.

#### Dividends

- Dividends are taxable, and the tax is withheld at the standard dividends tax rate.
- Foreign dividends are taxable, but this is not a withholding tax and it will be your responsibility to declare it to the South African Revenue Service.
- Dividends declared on REITs (property) are taxable at your marginal rate.

#### Capital gains

- Capital gains tax is payable when you sell assets and realise a profit. This can happen when switches are made between funds and when funds are withdrawn.

#### Estate duty

- On death, the investment will form part of your estate and may be subject to estate duty.



# THE GLACIER VANTAGE PLAN AND VANTAGE LIFE PLAN

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THESE ARE  
TAX-EFFICIENT  
INVESTMENTS  
WITH A MINIMUM  
INVESTMENT  
PERIOD OF FIVE  
YEARS. THE FIRST  
FIVE YEARS ARE  
CONSIDERED  
A **RESTRICTED  
PERIOD.**

The Vantage Plan (a sinking fund policy underwritten by Sanlam Life) can continue for an unlimited period, being passed on from one owner to the next, until surrender, while the Vantage Life Plan (an endowment policy underwritten by Sanlam Life) will pay out to your loved ones on the death of the last life insured.

### A WISE CHOICE

The Vantage Plan and Vantage Life Plan offer:

- **Tax-efficiency:** If your marginal tax rate is higher than 30%, you could benefit from income and capital gains tax advantages in this investment. We take care of the tax administration on your behalf.
- **Risk diversification:** You can spread your investment across different asset classes, such as equities, bonds and cash, ensuring that your investment suits your individual circumstances and tolerance for risk. [Glacier offers the widest range of investment options of any local investment platform.](#)
- **Insolvency protection:** If your Vantage Life Plan has been invested for three years, the value is protected against creditors. Depending on the beneficiary selection, the protection is applied for a period of five years from the date on which the policy benefits were provided to the beneficiaries.

### THE MAIN DIFFERENCES

The Glacier Vantage Life Plan	The Glacier Vantage Plan
<b>An investment with death benefits</b>	<b>A lasting investment</b>
<p><b>A death benefit:</b> The Vantage Life Plan is linked to insured lives. You have to appoint at least one life insured. The policy only pays out on the death of the last life insured, to the nominated beneficiary (or beneficiaries).</p> <p>You may nominate someone for ownership to ensure that a loved one can continue with your investment after your death.</p> <p><b>Estate-planning benefits:</b> Nominating a beneficiary not only ensures that a loved one receives the proceeds of your investment on your death – it can also bring about savings on executors' fees. Payment to your beneficiary can also take place speedily, as it is not dependent on the winding up of the estate.</p> <p><b>Insolvency protection:</b> Assets are protected against creditors after three years.</p>	<p>You may nominate someone for ownership to ensure that a loved one can effortlessly continue with your investment after your death.</p> <p><b>Longevity:</b> The policy is not linked to insured lives, and will continue until surrendered.</p> <p><b>Saving on executors' fees:</b> If the policy continues in the name of a new owner, it can also bring about savings on executors' fees, as the policy benefit will not form part of the estate.</p> <p>If you have not nominated someone for ownership, the policy benefit is paid to the estate.</p> <p>Assets are not protected against creditors.</p>

### RESTRICTED PERIOD

The initial policy term is five years, known as the restricted period of the policy. During this period, contributions, loans and surrenders are restricted in terms of the Long-Term Insurance Act.

## MAKING THE INVESTMENT

Only natural persons and trusts with natural persons as beneficiaries can invest in the Vantage Plan and Vantage Life Plan.

A minimum lump sum investment of R100 000 is required, and during the first year you can add to the investment at any time, provided that each contribution is at least R20 000.

In the second year, you can make additional investments of up to 120% of the total amount you invested in the first year.

For example, you could put in another R1.2 million if your total investment in the previous year was R1 million.

After the second year, you may contribute no more than 120% of the highest contribution made in the previous two years.

## THERE ARE TAX ADVANTAGES FOR CLIENTS WITH HIGH MARGINAL TAX RATES

The Vantage Plan and Vantage Life Plan offer both income tax and capital gains tax advantages, depending on your marginal tax rate.

The advantages for investors with a high marginal tax rate are illustrated in the following example:

Investor John has a marginal tax rate of 45%. He has R5m to invest and follows a balanced investment strategy. The assumption is that his investment will generate 11% growth per year.

He considers investing either in an Investment Plan or a Vantage Plan/Vantage Life Plan. His intermediary uses this calculation to assist him with his decision.

	After 5 years	After 10 years
Value of the Glacier Investment Plan	R7.91m	R12.5m
Value of the Glacier Vantage Plan and Vantage Life Plan	R8.06m	R13.0m
If he had to choose a Vantage Plan/Vantage Life Plan he would benefit from:		
<ul style="list-style-type: none"> <li>– an income tax saving (30% versus 45% marginal rate assumed)</li> <li>– a capital gains tax saving (12% versus 18%, taking the full capital gains into account)</li> <li>– additional return earned as a result of a higher base to compound from</li> </ul>		
<b>Total saving if he should invest in the Glacier Vantage Plan and Vantage Life Plan</b>	<b>R140 000</b>	<b>R450 000</b>

Assumptions:

- The investor trades 20% of their portfolio each year and realises a capital gain.
- The investor does not have any interest or capital gains tax exemptions available to apply to the investment plan.

- **Interest**

While interest is usually taxable at your marginal rate, interest declared within the Vantage Plan and Vantage Life Plan is currently taxable at 30%, so [you save on tax](#) if your marginal tax rate is higher than 30%.

- **Dividends**

Dividends are taxable, and the tax is withheld at the standard dividends tax rate.

- **Capital gains**

Capital gains tax is payable when you sell assets and realise a profit. This can happen when switches are made between funds and when funds are withdrawn.

While capital gains tax is usually calculated and recovered as a percentage of your marginal tax rate, capital gains within a Vantage Plan and Vantage Life Plan are taxable at a rate of 12% and recovered within the policy.

- **Estate duty**

On death, the investment could form part of your estate for estate duty purposes.

## **ACCESS TO YOUR FUNDS IS RESTRICTED INITIALLY**

### **During the restricted period**

You will be allowed to make one withdrawal, whether partial or full, and effect one loan. The amount available for full withdrawal during this period can be no more than the investment amount plus 5% compound interest per year.

### **After the restricted period**

Once the restricted period has passed, you may make any number of withdrawals.

### **You can use your rights to the policy**

You may use them as security for a loan. You may also transfer these rights to someone else by means of an outright cession.

# THE GLACIER TAX-FREE INVESTMENT PLAN

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INVEST  
TAX-FREE IN AN  
INVESTMENT  
PORTFOLIO  
CUSTOMISED BY  
YOU AND YOUR  
INTERMEDIARY  
ACCORDING  
TO THE LEVEL  
OF RISK WITH  
WHICH YOU'RE  
COMFORTABLE.



## THE SMART WAY TO INCREASE YOUR HOUSEHOLD SAVINGS

The Glacier Tax-Free Investment Plan offers:

- **Tax-efficiency:** You pay no tax on interest, dividends or capital gains. The investment is tax-free by virtue of section 12T of the Income Tax Act.
- **Dedicated savings plan:** It is a convenient way to save for long- or short-term goals. You are able to grow your household savings as a buffer against unexpected expenses.
- **Easy investment:** Collective investments are an efficient way to invest in the market. You and your intermediary can simply adjust your portfolio if your needs and risk profile change, at no additional cost.
- **Wide choice:** You can select from a wide range of collective investment funds on Glacier's platform, including elected wrap funds. (Funds with performance-based fees, as well as personal share portfolios are excluded.)
- **Accessibility:** You can take money out at any time. However, the Glacier Tax-Free Investment Plan is designed to encourage long-term saving, so it's wise to speak to your financial intermediary before making withdrawals. The full withdrawn amount can be put back into the Glacier Tax-Free Investment Plan, but it will be regarded as a contribution\*.

It is your responsibility to ensure that this does not breach your contribution limit within a tax year.

## MAKING THE INVESTMENT

Only natural persons, including children, may invest in the Glacier Tax-Free Investment Plan. Legal entities (e.g. companies) and trusts will not be able to invest in this product.

Investors will only be allowed to have one Tax-Free Investment Plan on Glacier's platform.

You may not exceed the prescribed limits\* even if you did not use your full contribution limit in a previous tax year. It is your responsibility to adhere to the annual limit.

You are allowed to have multiple tax-free investments at different service providers, but the annual and lifetime contribution limits apply to the total contribution across all tax-free investments you own.

If your total contribution exceeds either the annual or lifetime limit, you will be taxed considerably on the excess amount.

Should contributions be received that exceed the maximum prescribed limits, the over-contributions will either be invested in an existing Glacier investment plan of the investor or paid back into the investor's bank account on record. Only the maximum portion allowed will be invested in the Glacier Tax-Free Investment Plan. Administration fees will apply for the repayment of overpaid amounts.

\*Annual and lifetime contributions to the Tax-Free Investment Plan are subject to maximum limits prescribed by the National Treasury. These limits are subject to change.

**ESTATE PLANNING**

On death, the investment will form part of your estate and estate duty may be payable. While the investment is held within the estate, the returns on it will remain exempt from income tax, dividends tax and capital gains tax.

When transferring the amounts in a Glacier Tax-Free Investment Plan to a beneficiary's tax-free investment, the transfer will be regarded as a contribution and therefore be subject to the annual and lifetime contribution limits of the beneficiary.

**FEES AND CHARGES ARE PAYABLE**

Fees are charged for the administration and management of your plan. Glacier's annual administration fee and the annual financial intermediary fee are deducted by repurchasing units from the investment.

**Glacier's administration fees**

Glacier charges an annual administration fee. If you wish to enhance your investment with shares or wrap fund options, additional fees will apply.

**Financial intermediary fees**

You and your financial intermediary agree on the fees for financial advice and services provided. You may renegotiate these fees with your intermediary at any time.

**Investment management fees**

The managers of the investment options you select will charge a fee. The fees are set out in the application form, investment confirmation, applicable mandates and fund fact sheets.

**Value-added tax (VAT) payable on fees**

VAT is payable on fees, where applicable.

# LIFE INVESTMENT SOLUTIONS



## OVERVIEW OF THE SANLAM LIFE INVESTMENT SOLUTIONS

The Sanlam Life investment solutions are tax-efficient, and have a minimum investment term of five years. The range caters for capital growth, lump sum returns with or without a regular income, and some options offer protection from falling markets while others offer explicit guarantees.

Sanlam Cumulus Investment (Endowment)	Sanlam Nimbus Investment (Endowment)	Fixed Return Plan (A guaranteed return product)	Fixed Income Policy (A guaranteed income product)	Fixed Return Plan with Income
Minimum contribution <b>R100 000 lump sum</b> <b>R25 000 ad hoc</b>	Minimum contribution <b>R100 000 lump sum</b>	Minimum contribution <b>R200 000</b>	Minimum contribution <b>R200 000</b>	Minimum contribution <b>R200 000</b>
Investment period <b>Minimum 5 years</b>	Investment period <b>Minimum 5 years</b>	Investment period <b>Minimum 5 years</b>	Investment period <b>Minimum 5 years</b> <b>Maximum 15 years</b>	Investment period <b>Minimum 5 years</b>
<b>Features</b> <ul style="list-style-type: none"> <li>- An additional allocation of 5% is made to the investment amount upfront.</li> <li>- Optional protection from volatile market falls in the Sanlam Escalating Funds.</li> <li>- Potential tax benefits.</li> <li>- The proceeds of the investment can be paid to your beneficiary at death.</li> </ul>	<b>Features</b> <ul style="list-style-type: none"> <li>- An additional allocation of 5% is made to the investment amount upfront.</li> <li>- Loyalty bonus: Rebates on certain charges are added to the fund value on certain plan anniversaries.</li> <li>- Potential tax benefits.</li> <li>- The proceeds of the investment can be paid to your beneficiary at death.</li> </ul>	<b>Features</b> <ul style="list-style-type: none"> <li>- Receive a guaranteed lump sum at the end of the investment term.</li> </ul>	<b>Features</b> <ul style="list-style-type: none"> <li>- Receive regular income that is guaranteed.</li> <li>- Choose to receive income monthly or annually.</li> <li>- Income can grow annually at a fixed rate.</li> </ul>	<b>Features</b> <ul style="list-style-type: none"> <li>- Receive regular income that is guaranteed.</li> <li>- Receive a fixed lump sum at the end of the investment term.</li> </ul>

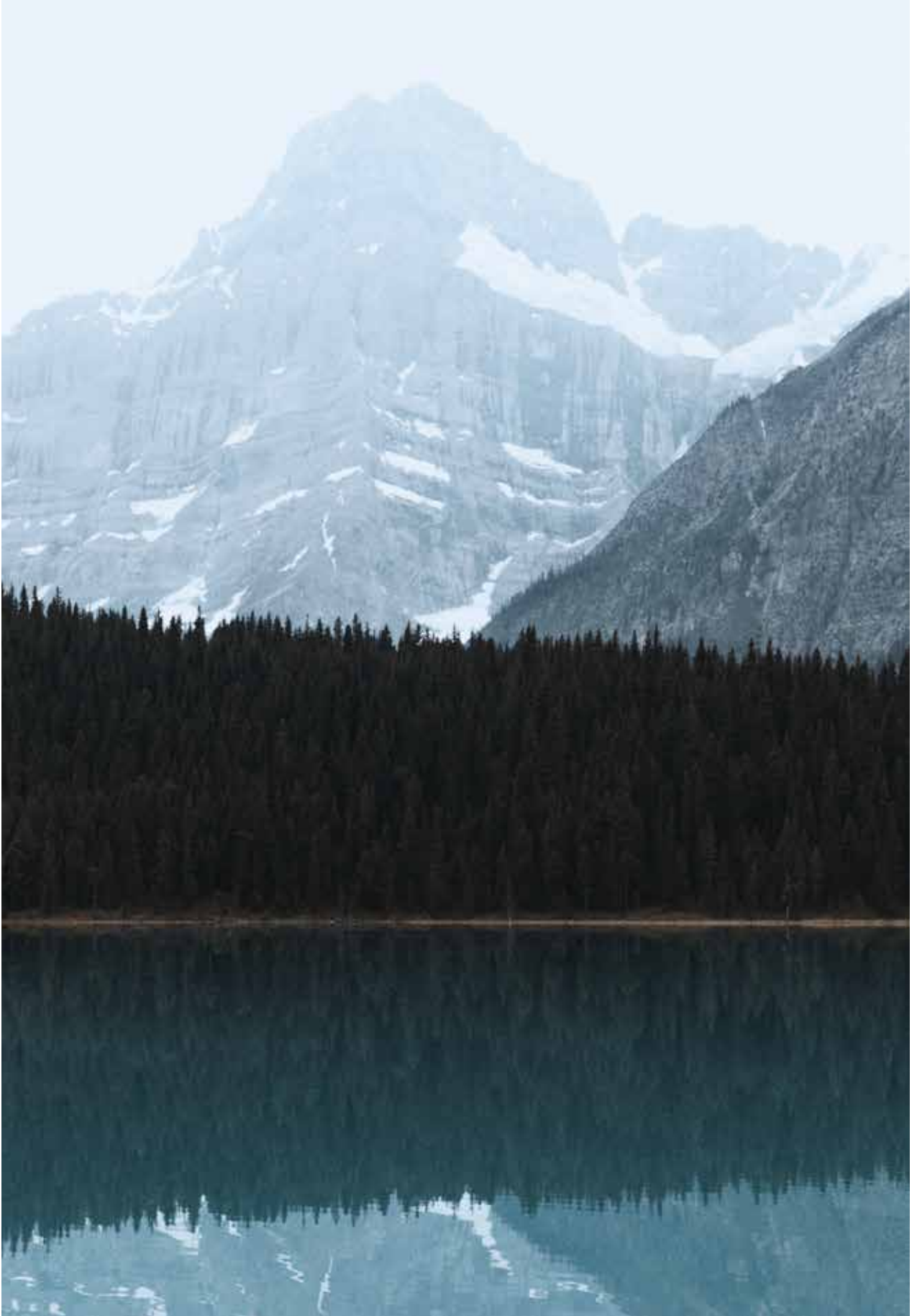


# THE SANLAM CUMULUS AND NIMBUS INVESTMENTS



TAX-EFFICIENT  
INVESTMENT  
SOLUTIONS  
THAT ENHANCE  
YOUR INITIAL  
INVESTMENT  
AMOUNT AND  
OFFER UNIQUE  
OPTIONAL  
BENEFITS.







The Sanlam Cumulus and Nimbus Investments are endowment policies that allow you to invest in a selection of leading investment options, and pay out to your loved ones on the death of the last life insured. The Sanlam Cumulus Investment, underwritten by Sanlam Developing Markets Ltd., offers you the opportunity to get protection from market falls in uncertain times, while the Sanlam Nimbus Investment, underwritten by Safrican Insurance Company Ltd., pays you a loyalty bonus every five years.

### A SENSIBLE CHOICE

Sanlam Cumulus and Nimbus Investments offer:

- **An enhanced investment amount:** An additional allocation of 5% is made to the investment amount upfront, giving your investment growth a head start.
- **An optional built-in guarantee:** Sanlam Escalating Funds (available on Sanlam Cumulus Investment only) aim to limit capital losses in a declining market.
- **A loyalty bonus,** depending on the term of investment.
- **Tax-efficiency:** If your marginal tax rate is higher than 30%, you could benefit from income and capital gains tax advantages in these investments. The tax administration is taken care of on your behalf.

- **A diverse range of quality investment funds,** making it easier for you to select an appropriate investment portfolio\* for your individual circumstances and tolerance for risk.
- **A death benefit:** The Sanlam Cumulus and Nimbus Investments are linked to insured lives. You have to appoint at least one life insured. The policy only pays out on the death of the last life insured, to the nominated beneficiary (or beneficiaries). You may nominate someone for ownership, and the policy will continue in this person's name after your death.
- **Estate-planning benefits:** Nominating a beneficiary not only ensures that a loved one receives the proceeds of your investment on your death - it can also bring about savings on executors' fees. Payment to your beneficiary can also take place speedily, as it is not dependent on the winding up of the estate.
- **Insolvency protection:** If your endowment policy has been invested for three years, the value is protected against creditors. Depending on the beneficiary selection, the protection is applied for a period of five years from the date on which the policy benefits were provided to the beneficiaries.

\*Speak to your intermediary about available funds.

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### SANLAM ESCALATING FUNDS WITH GUARANTEES EXPLAINED

Most of the investment funds available within the Sanlam Cumulus Investment offer a corresponding Sanlam Escalating Fund version which includes a built-in guarantee. The guarantee ensures that the unit price of a Sanlam Escalating Fund is always at least 80% of the highest unit price it has ever reached since the original start date of that Sanlam Escalating Fund.

Sanlam Escalating Funds reduce the volatility of returns, compared to their corresponding investment funds, and aim to limit capital losses in a declining market, while also allowing investors to benefit from rising markets.

### SANLAM NIMBUS INVESTMENT: LOYALTY BONUS EXPLAINED

The loyalty bonus is a rebate of certain charges, and takes the form of units being added to the investment value. This loyalty bonus is added after the fifth plan anniversary, and every fifth anniversary thereafter. The bonus percentage increases with every anniversary.

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### MAKING THE INVESTMENT

- Only natural persons and trusts with natural persons as beneficiaries can invest in the Sanlam Cumulus and Nimbus Investments.
- A minimum lump sum investment of R100 000 is required. During the first year, you can add to the investment at any time, provided that each contribution is at least R25 000.
- In the second year, you can make additional investments of up to 120% of the total amount you invested in the first year. For example, you could put in another R1.2 million if your total investment in the previous year was R1 million.
- After the second year, you may contribute no more than 120% of the highest contribution made in the previous two years.
- **At the end of the term, the fund value is available.** At the end of the five-year investment term, you may request that the fund value be paid to you and the investment ended. You may also allow the investment to continue until you choose to end it.

### YOU ARE IN CONTROL

Sanlam Life administers the investment and executes your instructions. You select the underlying investments and instruct Sanlam Life when and how to adjust your investment. Your financial intermediary will provide you with advice and help you manage your investment in accordance with your investment objectives and tolerance for risk.



## INVESTING IS NOT WITHOUT RISK, AND RETURNS ARE NOT GUARANTEED

Financial markets are unpredictable and fluctuate daily. The value of your investment can therefore rise and fall, and there is no guarantee, either with respect to the capital or the return on the investment. The Sanlam Escalating Funds provide a specific guarantee, which is explained in this document. Your financial objectives and personality determine how much risk you are willing to take on, and your intermediary will help you determine the level of risk that is right for your personal circumstances.

## THERE ARE TAX ADVANTAGES FOR CLIENTS WITH HIGH MARGINAL TAX RATES

The Sanlam Cumulus Investment and Nimbus Investment offer both income tax and capital gains tax advantages, depending on your marginal tax rate.

- **Interest:** While interest is usually taxable at your marginal rate, interest declared within the Sanlam Cumulus and Nimbus Investments is currently taxable at 30%, so you save on tax if your marginal tax rate is higher than 30%.
- **Dividends:** Dividends are taxable, and the tax is withheld at the standard dividends tax rate.
- **Capital gains:** Capital gains tax is payable when you sell assets and realise a profit. This can happen when switches are made between funds and when funds are withdrawn. While capital gains tax is usually calculated and recovered as a percentage of your marginal tax rate, capital gains within the Sanlam Cumulus and Nimbus Investments are taxable at a rate of 12% and recovered within the policy.

## ACCESS TO YOUR FUNDS IS RESTRICTED INITIALLY

### During the restricted period

You will be allowed to make one withdrawal, whether partial or full, and effect one loan. The amount available for full withdrawal during this period can be no more than the investment amount plus 5% compound interest per year.

### After the restricted period

Once the restricted period has passed, you may make any number of withdrawals.

### You can use your rights to the policy

You may use them as security for a loan. You may also transfer these rights to someone else by means of an outright cession.

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## RESTRICTED PERIOD

The initial policy term is five years, known as the restricted period of the policy. During this period, contributions, loans and surrenders are restricted in terms of the Long-Term Insurance Act.

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## **FEES AND CHARGES ARE PAYABLE**

Fees are charged for the administration and management of your policy.

### **Administration charges**

An annual administration fee is charged, which is deducted monthly by repurchasing units from the investment. An annual marketing charge is also levied. This is calculated as a percentage of the fund value and is taken into account when the daily unit price of each investment fund is calculated. The fees are set out in the investment statements.

### **Annual guarantee charge**

This is only applicable to Sanlam Escalating Funds. It is a percentage of the fund value and taken into account when the daily unit price of the relevant investment fund is calculated.

### **Asset manager fees**

The manager of the collective investment funds in which you invest will charge a fee. The fee is included in the daily unit price of the relevant fund.

### **Alteration charge and transaction charge**

An alteration charge will be levied before the end of the investment term in the event of a partial withdrawal, loan and if the plan is terminated. It is a percentage of the fund value, and is deducted by repurchasing units from the investment. In addition to the alteration charge, a transaction charge, which is a flat fee, will also be levied.

### **Financial intermediary fees**

You and your financial intermediary agree on the fees for financial advice and services provided. This is an optional service and not part of the services for which the intermediary gets commission. The fee is specified as a percentage per year of the fund value. The fees are deducted by repurchasing units from the investment.





# FIXED RETURN OPTIONS



SOLUTIONS  
THAT PAY A  
GUARANTEED  
AMOUNT AFTER  
A FIVE-YEAR  
PERIOD, WITH  
THE OPTION TO  
RECEIVE A FIXED  
MONTHLY INCOME  
AS WELL.





## THE FIXED RETURN PLAN

### Receive a fixed return over a five-year period

The Fixed Return Plan is a five-year, single-payment investment which will earn a fixed rate of return over the five-year period.

## THE FIXED RETURN PLAN WITH INCOME

### A fixed maturity amount and a regular income

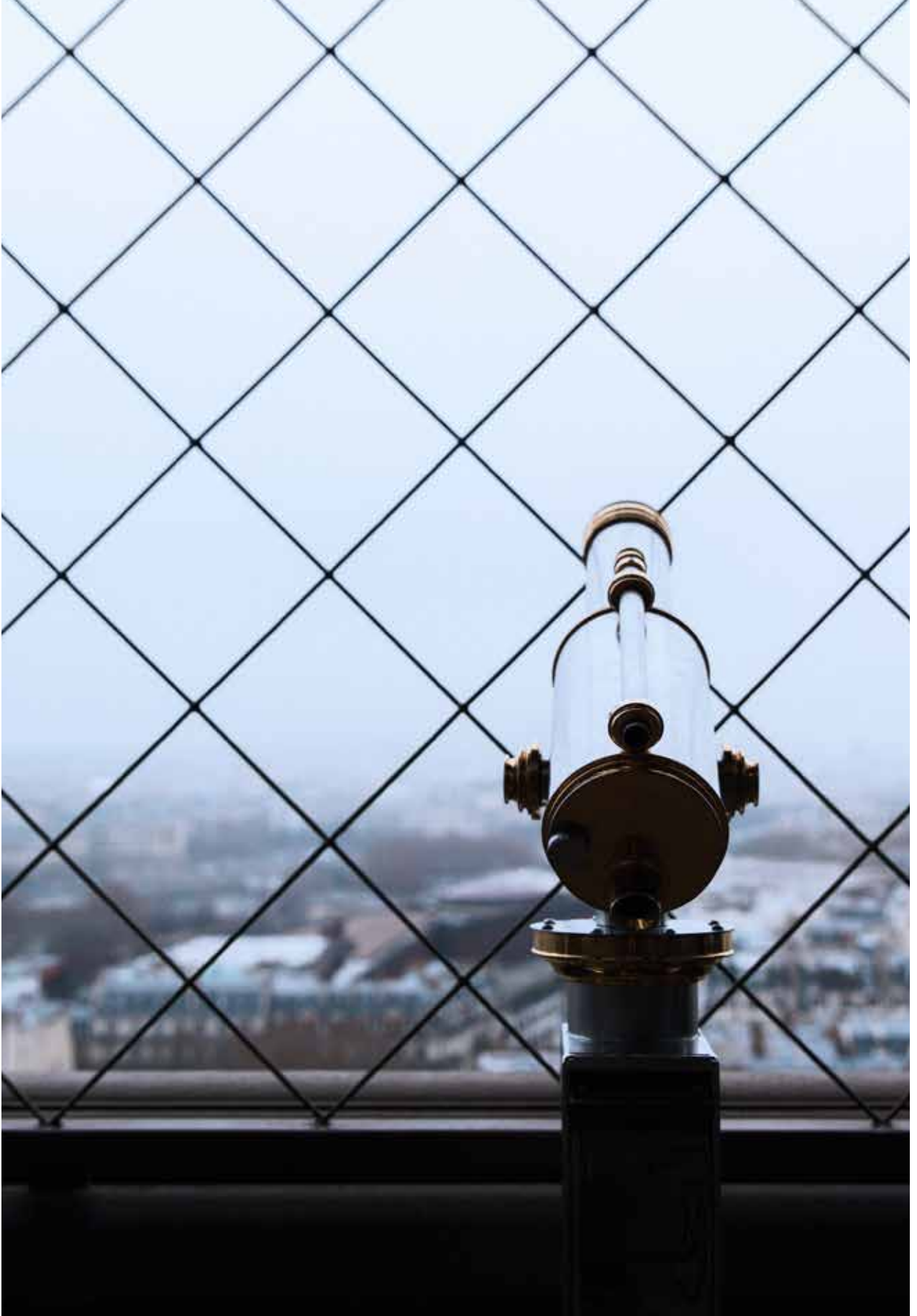
A Fixed Return Plan can be combined with a Sanlam Life Guaranteed Income Policy to provide you with a guaranteed<sup>1</sup> monthly income during the investment term and the certainty of receiving the original investment amount at the end of the term.

## STRUCTURE OF THE FIXED RETURN PLAN WITH INCOME

Combination of the Fixed Return Plan and a Sanlam Life Guaranteed Income Policy		
	Fixed Return Plan	Sanlam Life Guaranteed Income Policy
Type of investment	Sinking fund policy	Term annuity
Return	Fixed return, paying original investment amount at maturity <sup>2</sup>	Guaranteed <sup>1</sup> monthly income with optional growth rate of up to 10% per year
Administrator	Sanlam Life Insurance Ltd.	Sanlam Life Insurance Ltd.
Underwriter	Sanlam Developing Markets Ltd.	Sanlam Life Insurance Ltd.

<sup>1</sup>Guaranteed by Sanlam Life Insurance Ltd.

<sup>2</sup>In the unlikely event of a default on the underlying assets, the maturity benefit will be reduced.





## ABOUT THE INCOME

Income will be paid from the plan in arrears. You can choose to let the income remain level or grow at a rate of 1% to 10% per year. The yearly adjustment of income payments, if applicable, will take place on plan anniversary. Income payments are administered and guaranteed by Sanlam Life.

## THE SECURE CHOICE

The Fixed Return Plan with Income offers:

- **Capital preservation:** The original investment amount will be returned at the end of the term. This reduces any concern you may have about portfolio fluctuations over time and the potential of not meeting the objective of the investment due to market volatility.
- **Diversification:** Adding a fixed investment product increases the diversity of your investment portfolio, and a diversified portfolio yields better returns over the long term.
- **Peace of mind:** The return and income (if selected) are specified at the outset, giving you peace of mind.

## DEFAULT RISK

The amount returned at the end of the investment term is guaranteed by the issuer of the underlying assets. The Fixed Return Plan is only invested in interest-bearing assets (corporate bonds) with the top four banks in South Africa – counterparties with very high credit ratings, which means that the risk of default\* is low.

\*Default risk: The risk that a party to an agreement will be unable to make the required payments. In the case of the Fixed Return Plan, it would mean that the issuer of the underlying assets will be unable to repay investors in full when the investment matures.

## A LONG-LASTING INVESTMENT

You may appoint a nominee for ownership on the Fixed Return Plan with Income.

This ensures that a loved one can continue with your investment after your death, until the end of the term. If there is no nominee for ownership, the benefit is paid to your estate.

## MAKING THE INVESTMENT

A minimum lump sum investment amount of R200 000 is required, and ad hoc investments are not allowed.

The fixed return amount will be indicated on the quotation provided by your intermediary.

## ACCESS TO YOUR FUNDS IS RESTRICTED INITIALLY

During the five-year term, you may make a full withdrawal (subject to legislative restrictions), which will attract a termination fee. The total cash value of the policy will be equal to the current value of the remaining income payments, discounted at the prevailing interest rate applicable to surrenders, less the termination fee. Because income tax could be applicable to the income payments payable, a portion of the surrender value could be subject to income tax.



## TAX WILL AFFECT THE INVESTMENT

No tax is payable in the hands of the client on the proceeds of a Fixed Return Plan.

### Income tax

Tax is payable by the policyholder on the income received from the [Fixed Return Plan with Income](#). This income consists partly of a repayment of the capital amount, called the "capital portion" of the income payment. If the requirements of Section 10A of the Income Tax Act are met, only the remaining part of the income payment, the non-capital portion, is taxable.

The requirements of Section 10A of the Income Tax Act:

- The recipient of the income is the investor;
- the investor is not taking out the term annuity contract (the Fixed Return Plan with Income) in a representative capacity for the benefit of somebody else, and
- the investor is an individual.

### Estate duty

On death, the policy could form part of your estate for estate duty purposes.

## FEES AND CHARGES ARE PAYABLE

Fees are charged for the administration and management of your plan.

### Administration charge

All administration charges are taken into account at quotation stage and the income rate and rate of return supplied on the quotation include these charges. No additional administration charges will be deducted.

### Early termination fee

The Fixed Return Plan and the Fixed Return Plan with Income may be terminated before the end of the fixed term. A termination fee will be charged, which will result in a lower withdrawal amount than if you continued with the policy until the maturity date.

### Financial intermediary fee

You and your intermediary agree on commission where applicable.

### Value-added tax (VAT) payable on fees

VAT is payable on fees, where applicable.

## LET US EXCEED YOUR EXPECTATIONS

We value our clients and want to provide you with the best service. That is why we welcome your feedback. If you are dissatisfied with any aspect of our service or products, please tell us. Our team will investigate and aim to resolve the matter in a fair and efficient manner.

This document is intended for use by clients, alongside their financial intermediaries.

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For professional advice, please speak to your financial intermediary.

**Glacier Financial Solutions (Pty) Ltd.** A member of the Sanlam Group

Tel +27 (0)21 917 9002 / 0860 452 364 | Fax +27 (0)21 947 9210 | Email [client.services@glacier.co.za](mailto:client.services@glacier.co.za)

Private Bag X5 | Tyger Valley 7536 | Web [www.glacier.co.za](http://www.glacier.co.za) | Reg No 1999/025360/07

Licensed Financial Services Provider

**Sanlam Life Insurance Ltd.**

Tel +27 (0)21 916 5000 / 0860 726 526 | Fax +27 (0)21 947 9440 | Email [life@sanlam.co.za](mailto:life@sanlam.co.za)

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