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Life Investments Summit 2023

Certainty in an uncertain world



Offshore diversification with a twist

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R99	R159	R199
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Ad-free TV shows and movies	Ad-free TV shows and movies	Ad-free TV shows and movies

What is your
market cap?

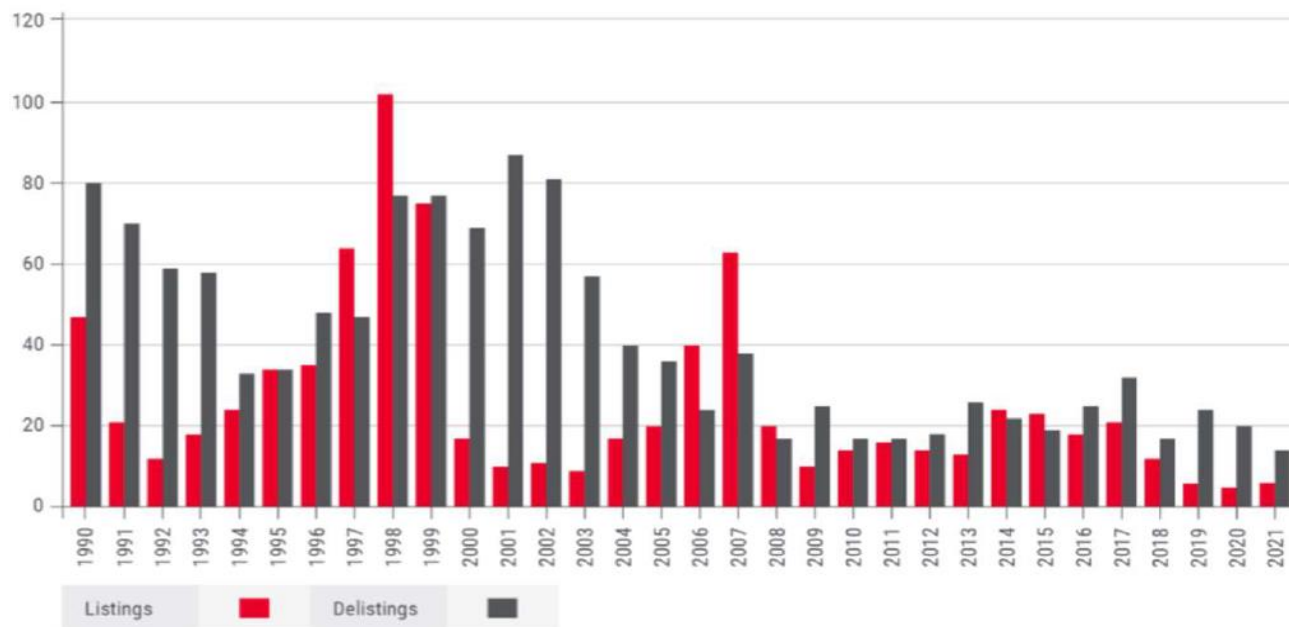


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OPPORTUNITY

Graph 1: JSE: Number of new listings and delistings



Sources: JSE Limited, Allan Gray research

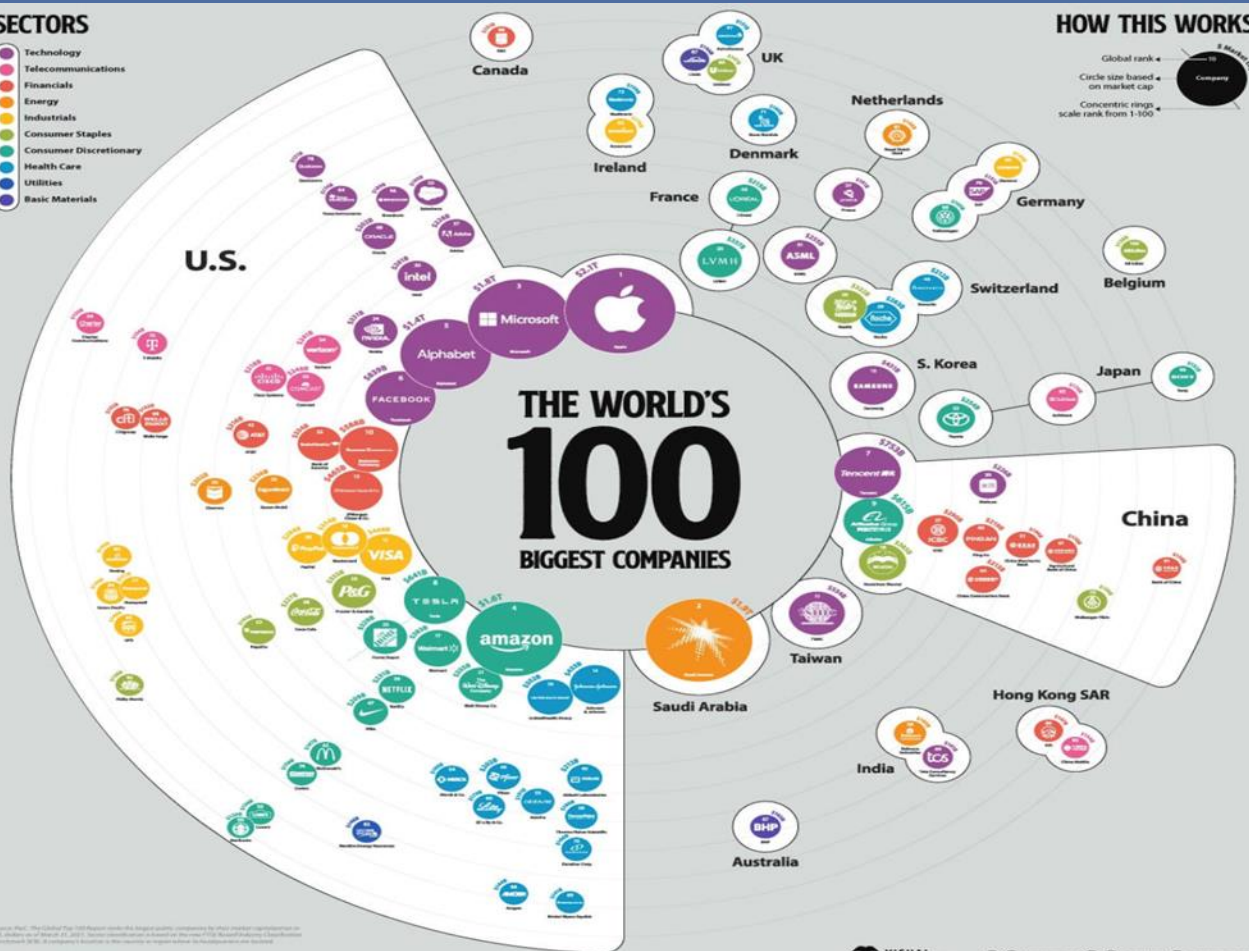


SECTORS

- Technology
- Telecommunications
- Financials
- Energy
- Industrials
- Consumer Staples
- Consumer Discretionary
- Health Care
- Utilities
- Basic Materials

HOW THIS WORKS

- Global rank
- Circle size based on market cap
- Concentric rings scale rank from 1-100



Source: FactSet. The Global Top 100 Report includes the largest public companies by market capitalization in 101 industries in 107 countries in 2021. Sector classification is based on the World Bank Industry Classification. Market cap is in US\$ and based on market value as of 12/31/2021. Market value is based on the closing price of the common stock as of 12/31/2021.



Performance Snapshot

	ASSET CLASS	1 YEAR	3 YEARS	5 YEARS	10 YEARS
Local	Equities	4.6%	10.8%	7.2%	10.1%
	Property	-3.4%	-6.7%	-7.6%	1.6%
	Nominal Bonds	1.5%	6.7%	7.8%	7.1%
	Inflation-linked Bonds	10.2%	7.7%	5.6%	5.8%
	Cash	4.4%	4.9%	5.9%	6.1%
Global (ZAR)	Equities	0.1%	13.0%	13.9%	17.5%
	Bonds	-2.9%	-0.6%	4.0%	7.0%
	Property	-1.8%	2.4%	7.4%	12.1%
	Rand vs US Dollar	17.8%	3.9%	5.6%	7.3%
Global (USD)	Equities	-15.1%	8.8%	7.9%	9.5%
	Bonds	-2.9%	-0.4%	4.2%	6.5%

Source: Sanlam Corporate. Data as at 31 August 2022



Economies of scale

Country	Population Size	GDP	CPI	Unemployment
United States	335.537 million	1.6%	4.5%	3.8%
United Kingdom	68.122 million	-0.3%	6.8%	4.2%
Germany	83.857 million	-0.1%	6.2%	3.3%
South Africa	61.528 million	0.1%	5.8%	34.7%
India	1.436 billion	5.9%	4.9%	No Data
China	1.412 billion	5.2%	2.2%	4.1% ?
Canada	39.635 million	1.5%	3.9%	5.8%
Australia	26.284 million	1.6%	5.3%	4.0%
New Zealand	5.160 million	1.1%	5.5%	4.3%



Equities vs Bonds vs Inflation

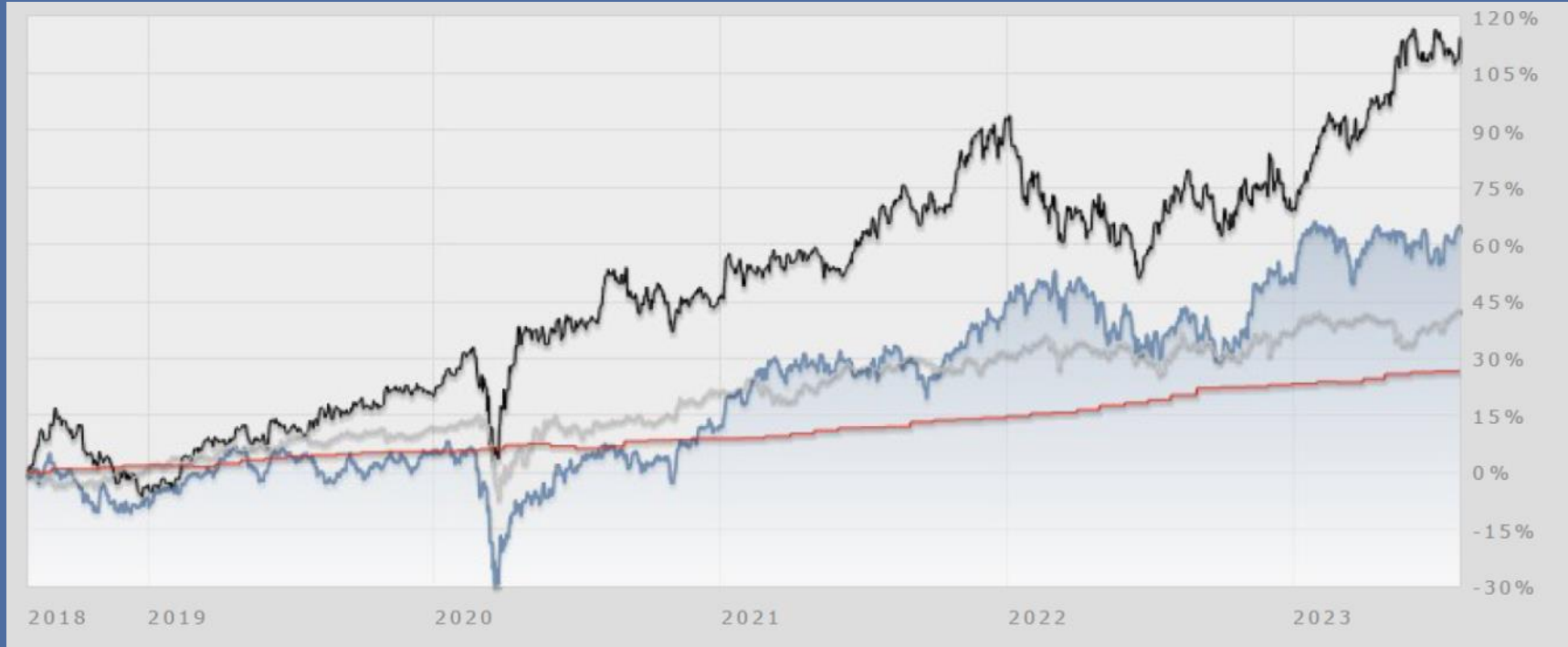
Currently, South African bonds are paying attractive yields for investors, thereby providing clients with low-risk investment outcomes.

However, it is equity returns over time that exceed inflation.



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Equities vs Bonds vs Inflation



■ FTSE World TR USD

■ FTSE/JSE All Share TR ZAR

■ FTSE/JSE All Bond TR ZAR

■ SA CPI Synthetic

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How do I invest offshore?

Individuals have an annual offshore allowance

Requirements

- ✓ South African residents
- ✓ over the age of 18 years
- ✓ SA ID book or smart ID
- ✓ SA income tax number

A forex service provider can assist with tax clearance and conversion.

If you don't have an existing forex partner, we can refer you to our selected provider.

Foreign Investment Allowance (FIA)

- R10m per calendar year
- Tax clearance from SARS

Single Discretionary Allowance (SDA)

- R1m per calendar year
- No tax clearance



OFFSHORE WRAPPERS

Endowment
(Global Life Plan)



Individuals

Tax-efficient

No foreign inheritance tax

No probate

No executor fees
(beneficiaries)

Insolvency protection

\$25 000

Sinking Fund
(Global Investment Plan)



Individuals / Entities

Tax-efficient

No foreign inheritance tax

No probate

No executor fees
(nominees)

\$25 000

Offshore LISP
(Offshore Investment Plan)



Individuals / Entities

No probate

No foreign inheritance tax
(funds only)

R100 000 Lump sum
R5 000 Recurring

Roll-up funds, CGT only

Local LISP
(Investment Plan)



Investors are taxed in
their personal capacity

Tax certificates issued in
ZAR

CGT, interest and
dividends tax

How do you take advantage of the current yields to access the global markets?



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Quotation for the Stratus Guaranteed Income Plan (quotation no 579176)

Thank you for considering Sanlam Life for your investments. We are pleased to present you with this quotation and look forward to helping you invest in your future.

The Stratus Guaranteed Income Plan policy enables you to secure an income for 5 years. The policy is underwritten by Sanlam Life Insurance Ltd (Sanlam Life), who is a licensed life insurer, financial services provider (FSP 2759) and registered credit provider (NCRCP43).

Investment amount	R400 000.00
Policy type	Term Annuity
Income payment term	
Date when money will reflect in Sanlam Life's bank account (payment date)	12 June 2023
Inception date	12 June 2023
Net effective rate of return	7.61% per year on gross income
Client	AB Client Male, born on 23 January 1977

The income

The monthly income payable in the first year:

Gross income	R7 987.67 (83.46% of income is tax-free)
Less estimated tax (45.00%)	R594.45
Net income	R7 393.22 paid in arrears
First income date	11 July 2023

Term Annuity – five years



Alternate Offshore Investment Plan Strategy



Investment Capital	R 400 000	Illustrative Purposes Only	Net effective rate of return	7.61%	
Investment Term in Years	5		Annuity Income Growth Rate per annum	0%	
Tax Free Portion of Income	83.46%		Marginal Income Tax Rate	45%	
Year	Gross monthly income amount	Less estimated tax	Net income paid in arrears	Less monthly OIP debit order	Surplus/Deficit
1	R 7 987.67	R 594.52	R 7 393.15	R 7 000.00	R 393.15
2	R 7 987.67	R 594.52	R 7 393.15	R 7 000.00	R 393.15
3	R 7 987.67	R 594.52	R 7 393.15	R 7 000.00	R 393.15
4	R 7 987.67	R 594.52	R 7 393.15	R 7 000.00	R 393.15
5	R 7 987.67	R 594.52	R 7 393.15	R 7 000.00	R 393.15
Total					
Annuity Term	Gross Annuity Income over Term	Estimated Tax over Term	Net Income paid over term	Total debit order payments over term	Surplus/Deficit over term
5	R 4 79 260	R 35 671	R 443 589	R 420 000.00	R 23 588.86
Weighted avg tax over term		7.44%	Average USD Debit Order		\$450



Five-year Term Annuity Offshore Investment Plan Debit Order Strategy



Start value of Investment		R 400 000
Current value of investment		R 607 042
Term	Years	5.00
	Months	
Effective rate of return		8.70%

Investment amount	R400 000.00
Policy type	Term Annuity
Income payment term	
Date when money will reflect in Sanlam Life's bank account (payment date)	12 June 2023
Inception date	12 June 2023
Net effective rate of return	7.61% per year on gross income
Client	AB Client Male, born on 23 January 1977

After 5 years

Offshore Investment Plan Value = \$32,468

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Fixed Return Plan – Five years

Quotation for the Fixed Return Plan (quotation no 579171)

Thank you for considering Sanlam Life for your investments. We are pleased to present you with this quotation and look forward to helping you invest in your future.

The Fixed Return Plan policy provides you with a maturity amount payable after 5 years. The policy is underwritten by Safrican Insurance Company Limited (Safrian), a member of the Sanlam Group, and administered by Sanlam Life Insurance Ltd (Sanlam Life), who is a licensed life insurer, financial services provider (FSP 2759) and registered credit provider (NCRCP43).

Investment amount	R400 000.00
Policyholder	Individual
Term	5 years
Option date when term ends	01 July 2028
Maturity value at option date	R554 519.85
Net effective rate of return	6.68% per year



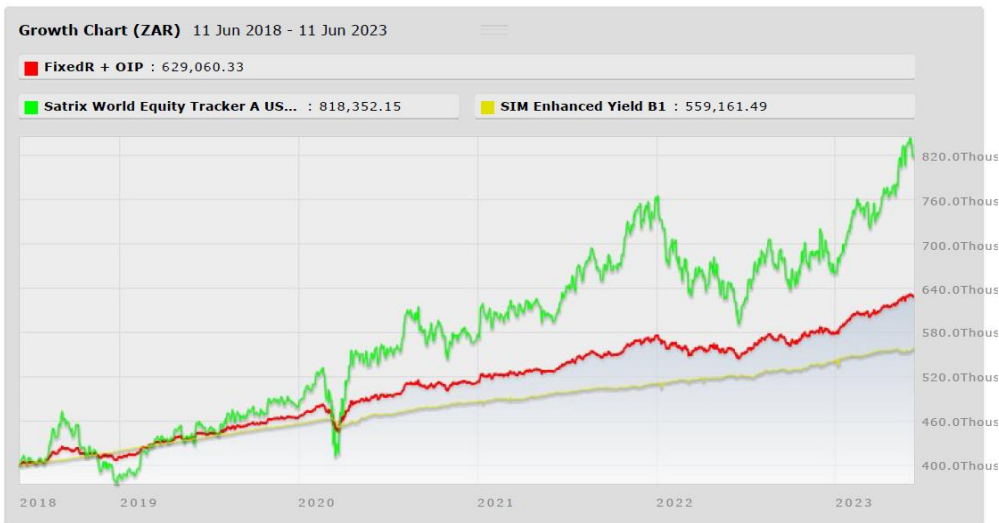
Five-year combo – Fixed Return + World Equity Tracker



Investment Capital at the end of 5 years	R 400 000		
Guaranteed Rate	6.68%		
Term	5		
Investment Capital at the start of 5 years	R 289 498	72%	
Balance of Capital for Risk Adjusted Returns - Global Market Exposure	R 110 502	28%	\$5 897



Five-year combo valuation – Fixed Return + World Equity Tracker USD



Start value of Investment			R 400 000
Current value of investment			R 629 060
Term	Years	Months	5.00
	5	0	
Effective rate of return			9.48%

Investment amount	↑	R400 000.00
Policyholder		Individual
Term		5 years
Option date when term ends		01 July 2028
Maturity value at option date	↓	R554 519.85
Net effective rate of return		6.68% per year

After 5 years
 Fixed Return Maturity Value = R400,000
 Offshore Investment Plan Value = \$7,170



Thank you

ANY QUESTIONS?

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