



Live with confidence

INCOME WITH CAPITAL PRESERVATION PLAN (OPTIONAL)

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Financial Planning | Retirement | Insurance | Health | Investments | Wealth | Credit

About Sanlam

Sanlam's purpose is to create sustainable value for all our stakeholders. We take our role and contribution to a stable financial system seriously and we are committed to supporting financial resilience, wellbeing, prosperity and inclusion.

Through our wealth-creation efforts, since 1918, Sanlam has evolved from a traditional insurer to a diversified financial services provider with both local and international footprints.

For over a century, Sanlam has grown from strength to strength as a consequence of our clients' and intermediaries' confidence in us. The Sanlam Group consists of more than 200 businesses in 44 countries internationally.



What do my intermediary and I consider before investing?

Your investment objectives

Your time horizon

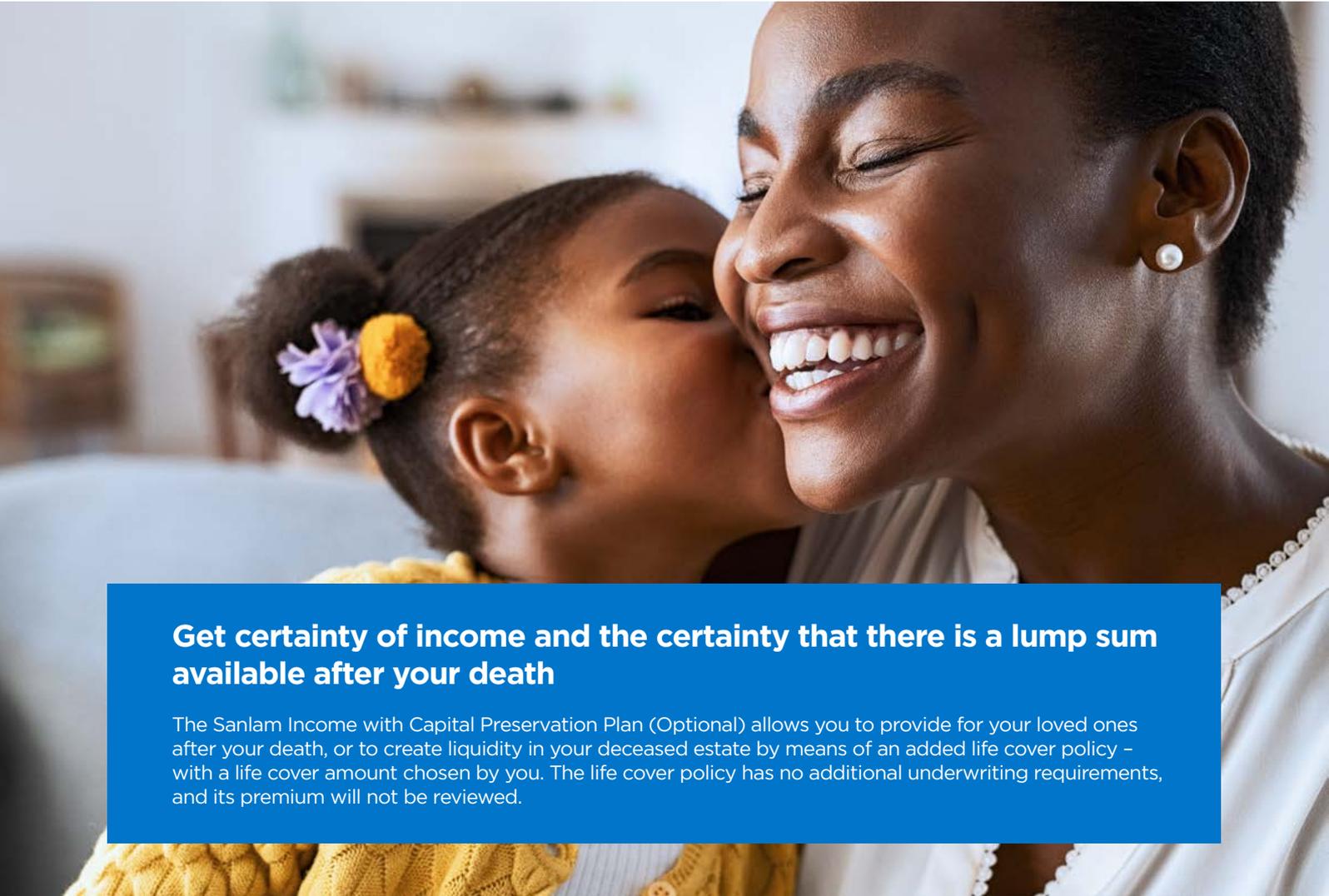
Protection from inflation

Investments that best suit your needs

The Sanlam Income with Capital Preservation Plan (Optional)

The gift of certainty

Secure a lifelong income from a life annuity underwritten by Sanlam Life, that allows you to provide for your dependants after your death or create liquidity in your estate, and offers annual income growth options. The Optional plan is purchased with your own discretionary savings.



Get certainty of income and the certainty that there is a lump sum available after your death

The Sanlam Income with Capital Preservation Plan (Optional) allows you to provide for your loved ones after your death, or to create liquidity in your deceased estate by means of an added life cover policy – with a life cover amount chosen by you. The life cover policy has no additional underwriting requirements, and its premium will not be reviewed.

The Sanlam Income with Capital Preservation Plan (Optional) at a glance

Your capital will purchase two life annuities. One of the life annuities (the income annuity) will provide you with regular, guaranteed income payments for the rest of your life. The second life annuity (the capital preservation annuity) will fund the premiums of your life cover policy, which will provide an amount selected by you to your loved ones or deceased estate after your death.



The minimum investment amount is R20 000.

The main features of the Sanlam Income with Capital Preservation Plan (Optional)

- A guaranteed lifelong income
- Provision for your dependants
- An annual income increase



The Sanlam Income with Capital Preservation Plan (Optional) offers you:

Certainty that you will receive a regular income for the rest of your life

You will have certainty about the gross income you receive every month for as long as you live. You can choose to add a second life insured to ensure that the income continues to be paid to this person after your death, until they pass away. The income payments will not decrease on the death of the first life insured, except if an income decrease was requested by you.

The ability to provide for your dependants after your death

In addition to providing for your dependants by ensuring that the income continues to be paid to a second life insured after your death, a lump sum will be paid to the selected beneficiaries on the death of the last life insured from the life cover policy.

Alternatively, if no beneficiary was nominated, the lump sum from the life cover policy could create liquidity for the deceased estate.

The amount of life cover is chosen by you, before inception of the policy.

The ability to protect the purchasing power of your income

There is an opportunity to let your income increase by a chosen percentage every year.

About the income

The amount of income you receive depends on the following factors on the start date of the life annuity:

- ① Prevailing interest rates when the capital amount is received
- ① Your age and gender, and that of the second life insured, where applicable
- ① The percentage annual income growth you have chosen
- ① The amount of life cover you have chosen

Income payments

The income is paid monthly until the death of the last life insured.

Growth of income payments

You can choose that income payments remain level, or that the income grows annually at a fixed rate, from 1% to 7%.

The income from the premium annuity will increase by 7% per year, as the premium on the life cover policy will also increase by 7% per year.

Income tax

The income payable to you is taxable at your personal tax rate. We will deduct income tax from each income payment and pay it over to the South African Revenue Service.

The income received from both life annuities consists partly of a repayment of the capital amount, called "the capital portion" of the income payment. The capital portion could enjoy an exemption from income tax if the requirements of section 10A of the Income Tax Act are met.

The requirements of section 10A of the Income Tax Act are that:

- ① the recipient of the annuity income is the
 - investor (purchaser) or his/her deceased or insolvent estate, or
 - spouse/surviving spouse of the purchaser or the deceased or insolvent estate of such a spouse,
- ① the investor is not taking out the annuity contract in a representative capacity for the benefit of somebody else, and
- ① the investor is an individual.

If the above requirements are met, only the non-capital portion of the income payment will be subject to income tax.

Section 10A only allows the purchaser to be:

1. an individual, or
2. a curator bonis appointed by the High Court for a trust created solely for the benefit of an individual where the High Court declared such an individual of unsound mind and ordered the creation of the trust.

If a trust is the policyholder, then the trust will have to be the type of trust described above in order to enjoy the section 10A tax exemption.



Product flexibility

Option to add a second life insured

A second life insured can be selected at inception of the plan to ensure that the income continues to be paid for the lifetime of a second life. The income will be payable until the death of the last life insured.

Option to reduce income on the first death

If a second life insured was added, there is also the option of reducing the income payment by a selected percentage on the first death.

Option to choose the value of the life cover

To provide for your dependants after you pass away, or to create estate liquidity, you can choose any amount of life cover from a minimum of R20 000 to a maximum of the value of your initial investment amount.

Important considerations

Access to funds is restricted

Access to the capital is exclusively through regular income payments. No withdrawal can be made, and the capital cannot be taken in cash. The Sanlam Income with Capital Preservation Plan (Optional) can also not be cancelled.

Life annuity policies and life cover policies could enjoy protection against creditors if certain requirements are met, which are that the person receiving the proceeds (or their spouse) is also the life insured, and the policy has been in force for at least three years.

You may cede or transfer the rights under the life cover policy to a third party as security.



About the beneficiaries of the life cover policy

You may nominate up to 10 beneficiaries, who will receive the life cover amount after your death. A beneficiary can be a natural person, trust, tax-paying or tax-exempt institution. If there is no beneficiary, the life cover amount will be paid to the life insured's estate.

The appointment of a beneficiary may be changed at any time.

Fees and charges are payable

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

Administration fees

The income amount is guaranteed and is quoted with allowance for administration fees.

Financial intermediary fee

The income amount is quoted with allowance for the fee you've agreed with your intermediary.

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.

The Sanlam Income with Capital Preservation Plan is a policy underwritten by Sanlam Life Insurance Ltd | Reg No 1998/021121/06
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