



Live with confidence

FIXED RETURN OPTIONS

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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.



Local investment solutions

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

Sanlam Fixed Return Options at a glance

Minimum contribution: **R100 000 lump sum**

Investment term: **A minimum of five years**

MAIN BENEFITS

Capital preservation	Diversification	Peace of mind
Having the assurance of a fixed return reduces the concern you may have about portfolio fluctuations over time and the potential of not meeting your investment objectives due to market volatility.	Using the Fixed Return Plan within your overall portfolio provides diversification, which, in turn, leads to better risk-adjusted returns over the long term.	The return and income (if selected) are specified at the outset, giving you peace of mind.



Sanlam Fixed Return Options



These solutions pay a fixed amount after a five-year period, with the option to receive a guaranteed monthly income throughout the investment term as well.

The Fixed Return Plan

Receive a fixed return over a five-year period

The Sanlam Fixed Return Plan is a five-year, single-payment investment, underwritten by BrightRock Life Ltd, which provides 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 Sanlam Fixed Return Plan can be combined with a Sanlam Stratus Guaranteed Income Policy (a term annuity policy underwritten by Sanlam Life) to provide you with a guaranteed monthly income throughout the investment term, along with 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 Stratus Guaranteed Income Policy		
	Fixed Return Plan	Stratus Guaranteed Income Policy
Type of investment	Sinking fund policy	Term annuity
Return	Fixed return, paying original investment amount at maturity ²	Guaranteed ¹ monthly income with optional growth rate of up to 10% per year
Administrator	Sanlam Life Insurance Ltd	Sanlam Life Insurance Ltd
Underwriter	BrightRock Life Ltd	Sanlam Life Insurance Ltd

¹Guaranteed by Sanlam Life Insurance Ltd.

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

The secure choice



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 the plan anniversary. Income payments are administered and guaranteed by Sanlam Life.

The Sanlam Fixed Return Plan with Income offers you:

- ④ **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.
- ④ **Diversification:** Adding a fixed investment product increases the diversity of your investment portfolio, and a diversified portfolio yields better returns over the long term.
- ④ **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 amount invested in the Sanlam Fixed Return Plan is exposed, in equal proportions, to the top five banks in South Africa. These are counterparties with very high credit ratings, which means that the risk of default* is low.

*Default risk is the risk that a party to an agreement will be unable to make the required payments. In the case of the Sanlam 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 Sanlam Fixed Return Plan. 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 R100 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 policyholder on the proceeds of a Sanlam Fixed Return Plan.

Income tax

Tax is payable by the policyholder on the income received from the Sanlam 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 are that:

- ④ 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,
- ④ the investor is not taking out the annuity contract in a representative capacity for the benefit of somebody else, and
- ④ the investor is an individual.

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

Estate duty

On your 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 charges

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 Sanlam Fixed Return Plan and Fixed Return Plan with Income may be terminated before the end of the fixed term. A termination fee will be charged, which

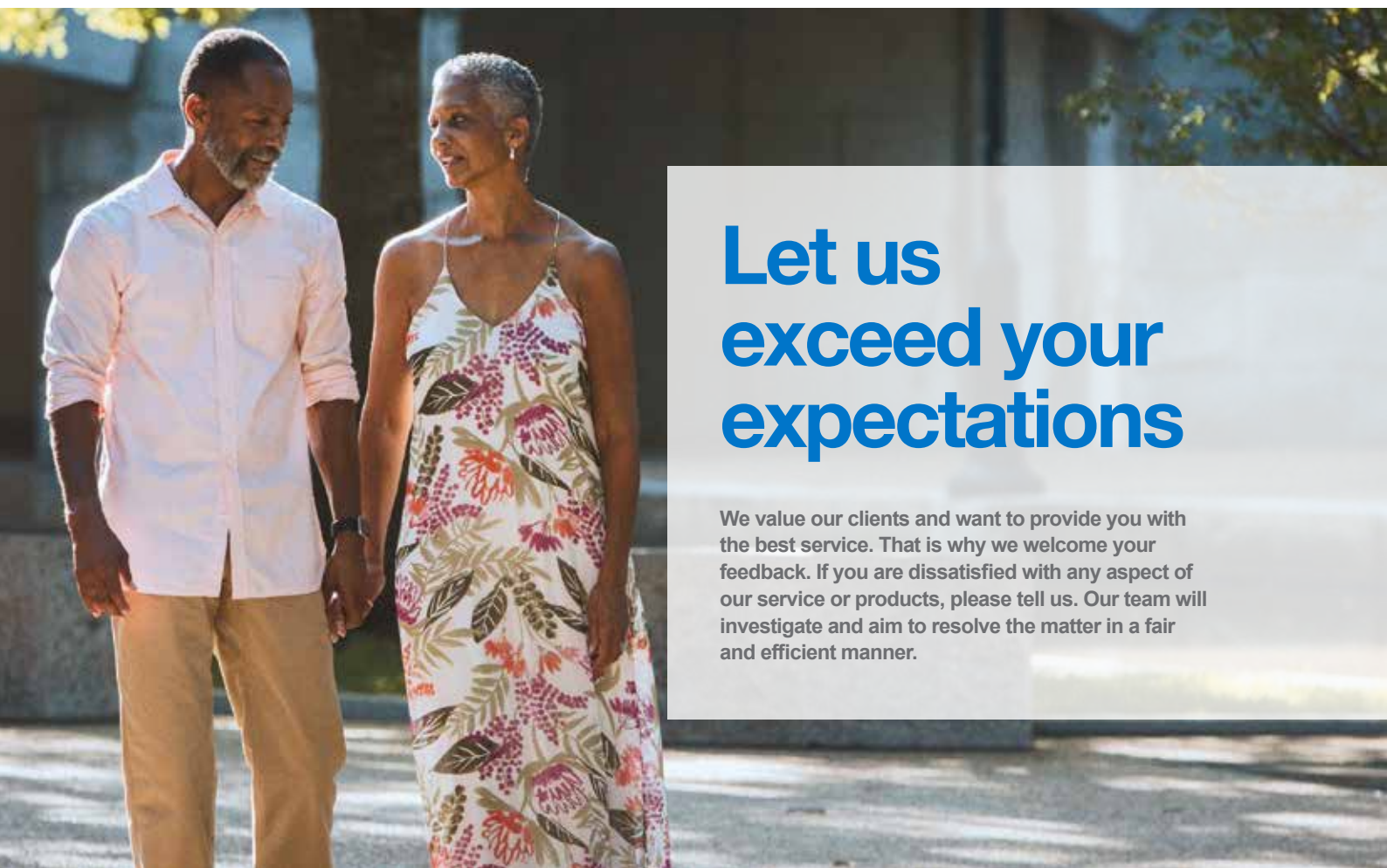
will result in a lower withdrawal amount than if you continued with the policy until the maturity date.

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.

Sanlam Life Insurance Ltd | Reg No 1998/021121/06 | Licensed Life Insurer, Financial Services and Registered Credit Provider (NCRCP43)

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BrightRock Life Ltd | Reg No 1996/014618/06 | Licensed financial services provider and life insurer



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