

The Glacier Invest Real Growth Solutions offer a unique investment option for endowments and sinking funds

Your ever-increasing chances of living to an older age and the timing of your retirement are important factors that we've kept in mind in the design of the Glacier Invest Real Growth Solutions. When you invest, preserving and growing capital, and reducing the effects of market volatility on your portfolio, are important to you, and they're important to us. Darren Burns, head of Investment Solutions at Glacier Invest, explains how these solutions help you achieve your investment goals and the role they can play in endowments.

It's (like) a piece of cake

We aim to reduce instability in your return profile, preserve your capital and offer some protection when markets are down. This means that you can grow your wealth almost as much as everyone else when markets are flourishing but protect it much more when markets are struggling. Think of it as having some of your cake and eating it too. So, the cake stays bigger over time which means you get to enjoy it for a longer period!

How Real Growth Solutions can be used in an endowment

The Glacier Invest Real Growth Solutions reduce volatility, provide access to underlying investment structures not readily available to an investor, and enable you to use your endowment as a source of income after the initial mandated investment period of five years. They are currently accessible on the Glacier platform, through the Glacier Vantage Life Plan, which is an endowment, and through the Glacier Vantage Plan, which is a sinking fund.

The tools that power our solutions

We use portfolio construction tools that, to an extent, can reduce the impact of living longer than expected or retiring just before or just after a market slump. This innovation is achieved through the use of non-traditional investment tools that historically were not available to the average

investor. The tools used are hedge funds, smoothing techniques and alternative assets. Our solutions are also well-diversified, with asset manager strategies that are different, yet complement each other to achieve a smoother return profile.

More about endowments

Endowments are tax-efficient investments with a minimum investment period, by law, of five years. They have many advantages, which make them attractive savings vehicles, not only for the near future but also for the longer term, such as to supplement income in retirement. In a nutshell, here's what they offer:

- **A death benefit:** An endowment is linked to insured lives. You have to appoint at least one life insured. The policy pays out on the death of the last life insured, to the nominated beneficiary (or beneficiaries).
- **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 executor fees. Payment to the beneficiary can also take place speedily, as it is not dependent on the winding up of the estate.
- **Insolvency protection:** If your endowment 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.
- **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.

What to know about investing in endowments such as the Glacier Vantage Life Plan

The Glacier Invest Real Growth Solutions are currently accessible on the Glacier platform, in the Glacier Vantage Life Plan, which is an endowment, and via the Glacier Vantage Plan, which is a sinking fund. They aim to provide investment returns that can sustain annual income withdrawals of 5% and 6% but more importantly, without eating into your capital on an inflation-adjusted basis. These solutions also aim to provide said returns at a lower level of volatility than other investment portfolios in comparable fund categories.

So, here's what's important to know:

- The initial policy term is five years, known as the restricted period of the policy.
- 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 is limited.
- Only natural persons and trusts with natural persons as beneficiaries can invest in an endowment.

- During the first year you can add to the investment at any time.
- In the second year, you can make additional investments of up to 120% of the total amount you invested in the first year.
- After the restricted period of five years, you may make any number of withdrawals, including regular withdrawals that could serve as income.

In these times of uncertainty, protecting your investment capital and ensuring that the investment growth keeps up with your withdrawal rates is important to you – and to us. The traditional approach to portfolio construction isn't helpful in achieving this. Investing for the future requires some protection against market downturns and volatility, and investment returns that will keep up with regular withdrawals. The Glacier Invest Real Growth Solutions aim to do just that.

Glacier Financial Solutions (Pty) Ltd is a licensed discretionary financial services provider, trading as Glacier Invest FSP 770

Sanlam Multi Manager International (Pty) Ltd FSP 845 is a licensed discretionary financial services provider, acting as Juristic Representative under Glacier Invest (Pty) Ltd

The Glacier Invest Real Growth Solutions are managed by Glacier Financial Solutions (Pty) Ltd.

The Glacier Vantage Life Plan (endowment) is underwritten by Sanlam Life Insurance Ltd

The Glacier Vantage Plan is a sinking fund policy underwritten by Sanlam Life Insurance Ltd, a licensed financial services provider

This document is intended for use by clients, alongside their financial intermediaries. The information in this document is provided for information purposes only and should not be construed as the rendering of advice to clients. Although we have taken reasonable steps to ensure the accuracy of the information, neither Sanlam nor any of its subsidiaries accept any liability whatsoever for any direct, indirect or consequential loss arising from the use of, or reliance in any manner on the information provided in this document. For professional advice, please speak to your financial intermediary.

Glacier Financial Solutions (Pty) Ltd.

A member of the Sanlam Group

Private Bag X5 | Tyger Valley 7536 | Email client.services@glacier.co.za | Tel +27 21 917 9002 / 0860 452 364 | Fax +27 21 947 9210 | Web www.glacier.co.za | Reg No 1999/025360/07

Licensed Financial Services Provider | Glacier Financial Solutions (Pty) Ltd. is also a Licensed Discretionary Financial Services Provider FSP 770, trading as Glacier Invest | Sanlam Multi-Manager International (Pty) Ltd. | A member of the Sanlam Group

Private Bag X8 | Tyger Valley 7536 | Tel +27 21 950 2600 | Fax +27 21 950 2126 | Web www.smmi.com |*Reg No 2002/030939/07

Licensed Discretionary Financial Services Provider, acting as Juristic Representative under the Glacier Financial Solutions FSP 770
Glacier International is a division of Sanlam Life Insurance Limited

Sanlam Life Insurance Ltd. | Email life@sanlam.co.za | Tel + 27 21 916 5000 / 0860 726 526 | Fax +27 21 947 9440
Reg No 1998/021121/06 | Licensed Financial Services Provider