

Linked Investment



Protected Outcome

A guaranteed
investment return



Clientèle

LIFE

Should you want to receive a predictable sum of money, whether monthly or as a single value, at a specific date (over a five year time frame), the Protected Outcome policy is an ideal investment vehicle.

The specific underlying investment depends on your objective; to receive either growth or income through your investment.

How does Protected Outcome work?

The Protected Outcome Product comprises of a single premium Linked Endowment Policy fully invested into a Fixed Return Deposit for the first five years. It provides an Absa guaranteed maturity value after five years or a monthly income guaranteed by Absa over the five-year investment period; or a combination of both.

Ideal Investor

The Protected Outcome Product is suited to investors who:

- Want certainty with regard to maturity value and/or income received
- Require a tax-efficient investment vehicle
- Require an additional estate planning tool
- Have voluntary savings to invest
- Are able to invest for a minimum fixed term of five years.



About the Investment

Growth Policy	Income Policy
<ul style="list-style-type: none">• Fixed return at the end of the 5 year restricted term• Return of initial capital invested• Minimum investment of R150 000	<ul style="list-style-type: none">• 5-year fixed monthly annuity payments• Minimum investment of R150 000

Who can invest?

Growth Policy	Income Policy
<ul style="list-style-type: none">• Individuals• Trusts (with natural persons as beneficiaries)	<ul style="list-style-type: none">• Individuals

On death

Growth Policy	Income Policy
<p>Upon the death of the last surviving life assured, a death benefit value, equal to the market value of the investments underlying the policy, will be paid out to the beneficiary for proceeds or to the estate.</p>	<p>The benefit is a guaranteed annuity for the term of the Policy. Upon the death of the policyholder, prior to the termination date, Clientèle Life shall continue to pay the remainder of the monthly annuity payment (if any) to the nominated beneficiary for proceeds or the estate. The beneficiary may apply for commutation.</p>

On Surrender

Growth Policy	Income Policy
<p>In terms of regulation, only one surrender is permitted during the 5-year restricted term and the amount payable is dependent on the market value of the underlying investment instruments of the policy. The amount that may be paid out is limited to a return of all contributions paid into the Policy, together with 5% interest thereon compounded annually. Any excess will be paid out to you at the end of the restricted period of the Policy. The Policyholder may not apply to surrender an amount less than R25 000.</p>	<p>The policy may be commuted prior to the termination date provided the growth policy is surrendered at the same time. The amount payable is dependent on the market value of the underlying investment instruments of the policy. The amount that may be paid in terms of a full commutation is limited to a return of the premium paid into the Policy plus 5% interest compounded annually, less the aggregate of all annuity payments made in respect of the Policy. Any excess will be paid out to the Policyholder as an annuity on the termination date.</p>

At the end of 5 years

Growth Policy	Income Policy
<p>The policy is not subject to a fixed term and will continue as open ended should the policyholder choose to remain invested in the linked endowment. The guaranteed maturity value paid over by the Guarantor from the fixed deposit will either be invested into unit trusts funds,</p>	<p>The policy will cease with no further benefits payable to the policyholder.</p>

<p>or exchange traded funds as selected by the policyholder with the help of the financial adviser. Alternatively the policyholder may elect to receive the proceeds of the investment paid out into their nominated bank account. If no instruction is received from the policyholder regarding the reinvestment of the maturity value, the proceeds will be invested into a Money Market fund selected by AIMS until further instruction from the policyholder has been received.</p>	
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<p>Life Assured</p>	
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<p>Growth Policy</p>	<p>Income Policy</p>
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<p>At least one life assured must be appointed. If no life assured is appointed, the policyholder will automatically be appointed as the life assured. A maximum of three lives assured may be appointed.</p> <p>Where a beneficiary for ownership has been appointed, they will automatically be appointed as a second life assured in case of a single life assured having been appointed.</p>	<p>The policyholder is automatically appointed as the life assured.</p>
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Beneficiary for Ownership

Growth Policy	Income Policy
<p>One beneficiary for ownership can be appointed by the policyholder. The appointed beneficiary can be changed at any point in time prior to the death of the last surviving life assured by the policyholder. This beneficiary is also automatically appointed the second life assured in case of a single life assured having been appointed.</p>	<p>Not applicable.</p>

Beneficiary for Proceeds

Growth Policy	Income Policy
<p>A maximum of five beneficiaries for proceeds can be appointed by the policyholder.</p> <p>Beneficiaries for proceeds can be appointed to receive the death benefit value on the death of the last surviving life assured. The beneficiary for proceeds may not be appointed as a life assured.</p>	<p>One beneficiary for proceeds can be appointed by the policyholder. This can only be the spouse or estate of the policyholder.</p> <p>Appointment of a beneficiary who is not the spouse may result in adverse tax consequences and the non-eligibility of certain exemptions.</p> <p>The beneficiary for proceeds may not be appointed as a life assured.</p>

Tax	
Growth Policy	Income Policy
<p>In terms of current tax legislation, proceeds from endowment policies are paid out net of income and capital gains tax to the policyholder, either on withdrawal or maturity of the underlying investment. For this specific endowment policy the insurer will pay tax on the growth of the investment over the investment period and the rate / maturity value quoted to the policyholder is net of such taxes.</p> <p>Potential policyholders must seek their own legal or tax advice to confirm how the tax treatment may apply to them.</p>	<p>In terms of the current Income Tax Act, tax is payable in the hands of the policyholder at their marginal tax rate. The insurer is obliged to deduct income tax from the taxable portion of the Income policy, should this amount be above the tax threshold, and pay this over to the South African Revenue Services.</p> <p>Potential policyholders must seek their own legal or tax advice to confirm.</p>

Cooling Off

A 31-day cooling-off period applies to this investment policy. During this period, the policyholder may cancel the policy should there have been no benefit paid, or surrender lodged, under the policy. All monies paid will be refunded to the policyholder, less any risk premiums incurred, and less any market loss where the value of the investment has decreased since the investment was made. Due to the impact of market movements, the policyholder may be refunded less than the amount invested.

Advisory Fees

Growth Policy	Income Policy
Up to 3.0% plus VAT.	Up to 1.5% plus VAT.

Administration (including Binder) Fees

Growth Policy	Income Policy
Up to 6.00% including VAT.	Up to 2.00% including VAT.

Investment Management Fees

Growth Policy	Income Policy
Up to 0.15% including VAT.	Up to 0.15% including VAT.

Cession

Growth Policy	Income Policy
<p>Outright or collateral cessions allowed.</p> <p>Outright cession may have some capital gains tax implications.</p> <p>Potential investors must seek their own legal or tax advice to confirm how the tax treatment may apply to them.</p>	Not allowed

The Guarantor

One of the following banks; Absa Bank, Standard Bank, FNB Bank, Nedbank or Investec bank.

The Underwriter

Clientèle Life Assurance Company Limited.

Important Disclosure regarding the Guaranteed Return

The Growth Policy is a linked endowment policy, which means that Clientèle Life itself does not offer a guarantee to the returns you, the policyholder, will earn under the Policy. Your investment returns are linked to a fixed-deposit instrument and in the event that the Guarantor defaults on the guarantee, the policyholder carries the risk. Due to the nature of a linked policy, you, the policyholder, carry the investment risk of the Guarantor paying out on this fixed-deposit instrument.

How to get started

Speak to your financial adviser or visit www.absainvestments.co.za to get started with your investment.

For more information contact AIMS Client Service (operating hours: Monday to Friday 08:00 to 16:30)

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