



**Clientèle**

# CLIENTÈLE WEALTH PLAN



IFA is a division of Clientèle Life



# CLIENTÈLE WEALTH PLAN

The Clientèle Wealth Plan is a savings plan that gives you the opportunity to invest on a monthly basis with a trusted partner that has your best interests at heart. With a minimum premium of R300 per month over 20 years, this is a top class investment plan.

Investment % Entry Age: 18 – 54	
Initial Monthly Premium	Percentage Invested *
R300 - R400	90.0%
R401 - R500	92.5%
> R501	95.0%

*\*The amount invested will be determined at commencement based on your initial policy premium (which does not include the IFA Business Fee) less the IFA Earnings Guarantee Benefit premium times the relevant allocation percentage. The allocation percentage will not change during the lifetime of the policy (unless premiums are reduced). The percentage invested is as at February 2021 (subject to change). Terms and Conditions apply.*



### Earnings Guarantee Benefit:

Upon an IFA's death or total and permanent disability, a lump sum equal to 12 months' IFA earnings, as per the month prior to the claim event, is paid. In addition, a premium equal to the last monthly earnings earned will be paid every month for 2 years thereafter. If this is your first product, the first R22 of your premium will cover the cost of the Earnings Guarantee Benefit.



### Investment Booster:

Provided no claim or surrender has been submitted in the relevant period: Last 120 Earnings Guarantee Benefit premiums paid are added to your investment account after each 120 Earnings Guarantee Benefit premiums are paid.



### Inflation Protection:

Built in annual increases protect your policy from the effects of inflation: premium increases by 10% annually.

## Clientèle Wealth Plan Effective Annual Cost (EAC)

The Effective Annual Cost (EAC) is a measure which has been introduced to allow you to compare the charges you incur and their impact on investment returns when you invest in different financial products. It is expressed as an annualised percentage. The EAC is made up of four components, which are added together, as shown in the table below. The effect of some of the charges may vary, depending on your investment period (i.e. how long you continue to pay your policy).

The EAC calculation assumes an investor terminates his or her investment in the financial product at the end of the relevant period. The table is illustrative and based on an assumed monthly savings premium of R550 on the Clientèle Wealth Plan (such a policy would have a total premium of R572 including R22 for the Earnings Guarantee Benefit).

Impact of charges	Surrender After				
	1 Year	3 Years	5 Years	10 Years	20 Years
Investment Management*	2.0%	2.0%	2.0%	2.0%	2.0%
Advice**	0.0%	0.0%	0.0%	0.0%	0.0%
Administration***	9.6%	3.5%	2.2%	1.2%	0.7%
Other****	37.1%	10.2%	4.6%	0.4%	0.0%
Effective Annual Cost	48.7%	15.7%	8.8%	3.6%	2.7%

- \* The Investment Management Charge is a reduction in the actual investment return because of charges incurred investment management. The actual reduction in return may vary significantly, as it will depend on how the markets perform during your investment in this product. The above example assumes an annual investment return of 6%. For the Clientèle Wealth Plan these are:
  - Clientèle's participation in 10% of net interest, investment income, capital appreciation and/or losses
  - The management charge levied by the external fund manager which is 0.3% of asset value plus 1% of investment returns
  - The Clientèle Management charge of 1% of the Investment Account per annum
- \*\* As the services of an advisor were not engaged, the Advice Management Charge is set to zero.
- \*\*\* The Administration Charge consists of unallocated premiums.

For the Clientèle Wealth Plan, this will depend on the size of the monthly premium. The unallocated proportion currently ranges from 5% to 10%. Based on the assumed monthly savings premium of R550 used in the above calculations, this charge is 5% of each monthly premium you pay. For lower premiums, the charge would be higher.

\*\*\*\* Other charges is a catch-all, which measures other costs that you will incur.

If you surrender your policy within 10 years, these are a percentage of the Investment Account (refer to table in policy document) and zero percentage of Investment Account if you surrender after 10 or more years plus R500 Policy Surrender Charge; where the total charge is limited to 30% of the Investment Account.

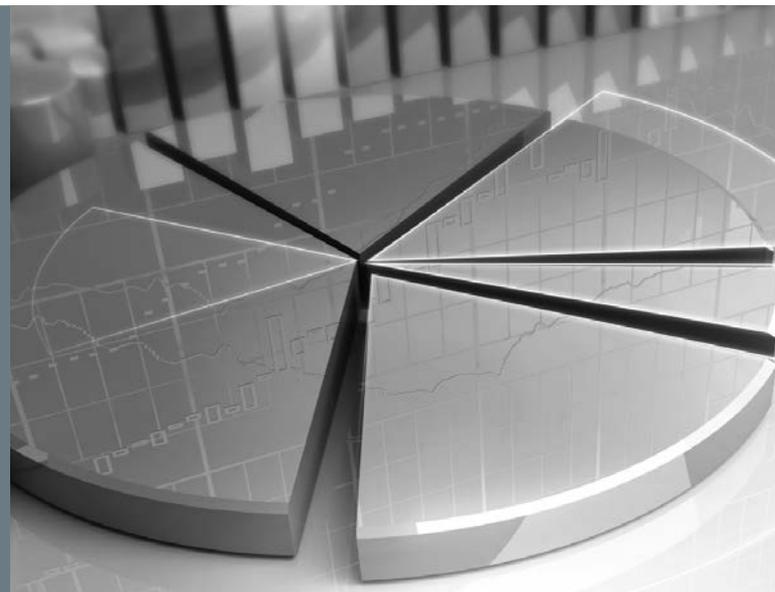
This means that the longer you keep paying the policy, the lower the Effective Annual Cost will be. For example, the Effective Annual Cost will be 15.7% on a Clientèle Wealth Plan if the client surrenders after 3 years. However, if you surrender it after 20 years, this cost drops to 2.7% on the Clientèle Wealth Plan. Remember that you will get the maximum benefit from your Clientèle Wealth Plan if you invest for the full term.

The Effective Annual Cost (EAC) is an annualised cost, which means the calculation takes into consideration the extra yearly return you need to earn on the amount after charges, in order to get back to the same closing balance you would have had if there were no charges deducted.

**The values in the EAC tables are for illustrative and explanatory purposes only, based on the following assumptions:**

- An initial monthly savings premium of R550 on the Clientèle Wealth Plan.
- All future premiums are paid (an Unpaid premium Charge, currently R37, will be deducted from your Investment Account for every missed premium).
- There are no partial surrenders during the period.
- An investment return of 6% per annum (before any charges, but net of tax).
- A 10% annual premium increase.

The Effective Annual Cost shown would apply if the above assumptions hold, and you terminate your policy at the end of the period in each case.



The periods indicated in the table refer to full years:	
Years	Description
1 year	12 months and 12 paid premiums
3 years	36 months and 36 paid premiums
5 years	60 months and 60 paid premiums
10 years	120 months and 120 paid premiums
20 years	240 months and 240 paid premiums

# CLIENTÈLE WEALTH PLAN FAQ'S

1

## How does Clientèle Life help grow my savings?

Clientèle Life will invest a percentage of each premium you pay on a monthly basis (minus the Earnings Guarantee Benefit premium where applicable) in an investment portfolio. This portfolio is managed by professional fund managers who invest in shares listed on the Johannesburg Stock Exchange as well as other assets such as cash and property. Please remember that your investment account will be reduced each month by the relevant investment charges.

2

## What happens when my policy reaches maturity?

When your policy reaches its maturity date, you have the option of withdrawing the full value of your investment account with no surrender charges or administration charge. Or, you can choose to leave the funds where they are and withdraw the full value at a later stage, also with no surrender charges or administration charge.

3

## What happens if I die?

In the event of your death, your beneficiary will be paid the full value of your investment account without any deductions.

4

## What happens if I want to surrender my policy?

A surrender is when you withdraw some or all of the funds from your investment. You may surrender your policy by contacting us on:



011 320 3000



encashments@clientele.co.za

It's very important to remember that this policy was designed as a long-term investment and it is in your best interests to pay the premium for the whole term on the policy before surrendering. If you choose to surrender the policy before this time, early surrender charges will apply. These charges are used to offset certain upfront costs which become unrecoverable. Early Surrender charges are never more than 15% of the investment account plus the administration charge (currently R500).

In terms of South African law, you may action a maximum of one partial or one full surrender during the first 5 years of the policy. Remember, that in order to get the maximum benefit from your investment, you should invest for the full 20 years. This policy has been designed as a long-term investment and early surrenders will have cost implications. Nonetheless, there is no surrender penalty after 120 premiums (10 years) have been paid. An administrative charge (currently limited to a maximum of R500) will still apply.

Portfolio performance does not take into account the investment charges and capital amount invested is not guaranteed. Depending on movements in the market, returns may be negative and past performance is not necessarily a reflection of future performance. You may request details of the investment's past performance through our call centre.

## IFA IS A DIVISION OF CLIENTÈLE LIFE.

011 320 3000

### Physical Address:

Clientèle Office Park

Cnr Rivonia and Alon Roads, Rivonia



Long-term insurance policies are underwritten and administered by Clientèle Life Assurance Company Limited, an authorised financial services provider and licensed insurer: FSP 15268. Premiums escalate by 10% and benefits escalate by 6% annually.

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