

Notes

- This chapter should be read in conjunction with the contract documents. If there is any conflict or inconsistency between the contents of the contract documents and this chapter, the provisions of the contract documents will prevail.
- Take note that information contained in this technical guide is with regard to the latest versions of the applicable products/benefits. Refer to the contract documents for information about the existing products/benefits of a life insured.
- Any reference to "you" or "your" refers to the life insured. Any reference to "we", "us", "our" or "ours" refers to Sanlam Life Insurance Limited (Sanlam Life)

Sanlam Cumulus Investment – one-off and recurring payments

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Why Sanlam Cumulus Investment?

Any reference to "you" or "your" in this section refers to the planholder.

Sanlam Cumulus Investment is a cost-effective investment solution for you. This solution gives you the opportunity to benefit from the potential growth in a range of quality investment funds, with or without investment guarantees.

Sanlam Cumulus Investment is an endowment policy and requires an initial investment period of between 5 – 10 years. It is designed to pay a lump sum after the contractual chosen term, or at the death of the last surviving life insured. You can, however, extend your investment period after the chosen term, at no extra cost.

Other features include the following:

- The charges are among the lowest in the market.
- An additional allocation can be added upfront to your payment, subject to certain criteria, ensuring that your investment increases immediately.
- A **loyalty bonus** is added to the plan on specified dates.
- No initial marketing charge is currently deducted from recurring payments.
- A quality investment fund offering:
 - As only a select range of quality investment funds is offered, it is easier to choose your investment funds.
 - You can invest in one or more of the available investment funds at the same time.
 - You can do switches between any of the available investment funds at any time, with four free switches in a plan year.
- It is easy to establish the value of your investments, as the unit prices for all investment funds are updated daily on the Sanlam website.
- The proceeds of your plan are currently tax-exempt.
- If you experience a temporary decrease in income, you can skip payments by making use of our payment holiday facility at no extra cost, provided our conditions at the time are met. You do not have to repay the payments that are skipped.
- Your investment may be cashed in, or you may apply for a loan or withdrawal against the plan, subject to legislative restrictions (Section 54 of the Long-term Insurance Act), as indicated under "Legislative restrictions" in this *Sanlam Cumulus Investment – one-off and recurring payments* chapter.

Sanlam Cumulus investment is ideally suited for individuals

- who do not need liquidity
- who require access to investment funds with guarantees
- who would like access to some of the best investment funds at the lowest prices
- whose marginal tax rate is greater than 30%.

Comparison with a linked investment

Sanlam Cumulus Investment is an endowment policy, and should not be confused with a linked Investment of a linked investment services provider (LISP). Sanlam Cumulus Investment is an insurance policy, whereas a LISP plan is not, and therefore the product features and regulations applicable to both will differ. The main differences between Sanlam Cumulus Investment and a LISP plan are indicated below.

Main differences between Sanlam Cumulus Investment and a LISP plan		
Item	Sanlam Cumulus Investment	LISP plan
Tax	<ul style="list-style-type: none">• The life insurance company currently pays the tax of an endowment policy (this plan)• Currently the proceeds of the plan are not taxable in the hands of the planholder.	<ul style="list-style-type: none">• The LISP pays no tax in an investment fund• Income, dividends, and realised capital gains are currently taxable in the hands of the planholder.
Regulations that apply	<ul style="list-style-type: none">• FAIS• The Long-term Insurance Act• Restricted dealing with the investment within the first five years of the start date of the investment, i.e. during the restriction period (Section 54 of the Long-term Insurance Act).	<ul style="list-style-type: none">• FAIS• The Long-term Insurance Act does not apply• No restriction period, and therefore no restricted dealing with the investment applies within the first five years of the start date of the investment, or thereafter.

Main differences between Sanlam Cumulus Investment and a LISP plan		
Item	Sanlam Cumulus Investment	LISP plan
Other features	<ul style="list-style-type: none"> • One or more lives insured required • Beneficiaries may be appointed • At the death of the last surviving life insured the benefit payable at death is paid to the planholder, if he or she is still alive, or to his or her estate, or to the beneficiaries, if any, who have accepted the appointment. 	<ul style="list-style-type: none"> • No lives insured applicable • No beneficiaries allowed • At the death of the planholder the investment forms part of the estate of the deceased planholder, unless a new planholder was nominated, and he or she has accepted the nomination.

Product and investment funds

Product and product code

The product and product code is indicated below.

Product	Product code
Sanlam Cumulus Investment	E43*

*The same product code applies for ABSA, but a separate application form is available.

Waiver of payment benefits not available

Waiver of payment benefits are not available.

Investment funds

Up to 10 investment funds may be selected, as indicated on the quotation system.

We do not guarantee the performance of the investment funds. The value of units may increase or decrease, and past performance is no guarantee of future performance. For example, the value of assets in foreign currencies may increase or decrease materially due to changes in exchange rates.

Information about all investment funds offered, is available on the Sanlam website at <http://www.sanlam.co.za>.

Role players and cessions

Number of role players

The minimum and maximum number of role players are indicated below.

Role	Number of role players	
	Minimum	Maximum
Planholder	1	1
Life insured	1	10
Beneficiary	0	10
Nominee to become new planholder	0	1
Cessionary for cession as security (collateral cession)	0	1
Cessionary for change of planholder (outright cession)	0	1

Planholder

The planholder can be a natural person, tax-paying institution or trust, where all the beneficiaries of the trust are natural persons or a tax-paying institution.

Where a trust is the planholder, the tax status of a plan is determined by the status of the trust beneficiaries, for example a natural person or an entity that is taxable or not, in terms of section 29A(4) of the Income Tax Act. Please notify us if the status of one of the trust beneficiaries changes.

The planholder specifies which lives insured must be on a plan, and is also responsible for the payments of the plan. Another party may make the payments, but the planholder remains responsible. The planholder does not have to be a life insured on the plan.

Life insured

A life insured must be a natural person.

Beneficiary

The benefit amount is equal to the fund value on the date that notice of the death of the last surviving life insured is received.

The benefit amount of a plan will be paid to the planholder if he or she is still alive, or otherwise to his or her estate.

However, the planholder may appoint one or more beneficiaries to receive the benefit amount payable at the death of the last surviving life insured, subject to certain conditions as indicated under "Conditions for appointment of beneficiaries". A beneficiary may only accept or reject the appointment after the death of the last surviving life insured.

If beneficiaries were appointed, the benefit amount of a plan will be paid to the following, in the order as indicated:

- the planholder, if he or she is still alive;
- the beneficiaries, if any, who have accepted the appointment as beneficiaries after the death of the applicable life insured, as mentioned above;
- the estate of the planholder.

Payment to any of the above will relieve us of any obligations to pay any other party.

Conditions for appointment of beneficiaries

We recommend that beneficiaries are appointed, although doing so is not compulsory. If beneficiaries are appointed, the following applies:

- the existing planholder must be a natural person;
- the planholder may appoint one or more beneficiaries, up to a maximum of 10;
- the planholder may be a life insured on the plan;
- a beneficiary can be a natural person, trust, tax-paying institution or tax-exempt institution;
- the percentage, between 0% and 100%, allocated to each beneficiary, must be specified separately. However, the total percentage allocated to beneficiaries may not be more than 100%;
- if the total percentage allocated to beneficiaries for a benefit amount is less than 100%, the remaining part of that benefit amount will be paid to the planholder's estate.

May the appointment of a beneficiary be changed?

An appointment may be added, cancelled or changed at any time. It must be in writing and signed by the planholder, and must reach the Sanlam Life head office before the death of the last surviving life insured.

Can the appointment lapse?

An appointment will lapse if the plan is ceded outright. If the plan is ceded as collateral security, the appointment will not lapse, but the rights of the cessionary will take preference over any rights of a beneficiary.

Nominee to become the new planholder

A nominee may be nominated to become the new planholder after the death of the planholder. The nominee may only accept or reject a nomination after the death of the planholder.

If the nominee does not accept the nomination, or if nobody has been nominated, the plan will be an asset in the estate of the planholder.

Conditions for nomination

If a nominee is appointed, the following applies:

- the planholder may nominate one nominee;
- the existing planholder must not be a life insured on the plan, or, if he or she is a life insured on the plan, he or she may not be the only life insured;
- the nominee can be a natural person, tax-paying institution or trust, where all the beneficiaries of the trust are natural persons or a tax-paying institution.

May a nomination be changed?

A nomination may be added, cancelled or changed at any time. It must be in writing and signed by the planholder, and must reach the Sanlam Life head office before the death of the planholder.

Can the nomination lapse?

A nomination will lapse if the plan is ceded, whether outright or as collateral security.

Cession as security (collateral cession)

With a collateral cession the planholder may cede the plan as security to one other party, where this party may be a natural person, tax-paying institution or trust, where all the beneficiaries of the trust are natural persons or a tax-paying institution.

If the planholder cedes the plan as security, he or she must notify Sanlam Life of the cession in writing. The notice will take effect when Sanlam Life receives it.

An appointment of a beneficiary to receive the benefit amount payable at the death of the last surviving life insured will not be cancelled, but the person or entity to whom the plan is ceded, will have the first right to benefits when they become payable.

A nomination of a person or trust to become the planholder at the planholder's death, will be cancelled when a plan is ceded as security.

Change of planholder (outright cession)

The planholder can cede his or her rights as planholder to another party, who will then replace him or her as planholder.

This party may be a natural person, tax-paying institution or trust, where all the beneficiaries of the trust are natural persons or a tax-paying institution.

The planholder must notify Sanlam Life of the cession in writing. The notice will take effect when Sanlam Life receives it.

An appointment of a beneficiary to receive the benefit amount payable at the death of the last surviving life insured, and a nomination of a person or trust to become the planholder at the planholder's death, will then be cancelled.

Payments

All payments must be made in South Africa in South African currency.

Payment option

Choice between the following:

- Only one-off payment
- Only recurring payments
- Combination of one-off and recurring payments.

The payment option of a plan cannot be changed after the start date of the plan.

Payment frequency for recurring payments

Choice between the following for recurring payments:

- Monthly
- Yearly.

Payment method for recurring payments

Choice between the following:

- Debit order
- Stop order
- Internal funding.

A monthly or yearly payment frequency is allowed for a debit order payment method. Only a monthly payment frequency is allowed for other payment methods.

The same payment applies for all payment methods.

Payment limits

The minimum payment limits are indicated below.

Minimum payment limits				
Payment option	One-off payment (R)	Recurring payment per month (R)	Additional one-off payment (R)	Recurring payment increase per month (R)
Only one-off payment	15 000 (Maximum R200 000)	-	5 000	-
Only recurring payments	-	750	5 000	200
Combination of one-off and recurring payments	5 000	750	5 000	200

One-off payments

One-off payments may be made at the start of a plan and at a later stage, provided that they are allowed by legislation (Section 54 of the Long-term Insurance Act) and are not less than our minimum allowed. If the transaction date for a payment, as indicated in the statement, is more than one day later than the payment date, we will add interest to the payment to allow for the delay from the day following the payment date to the transaction date.

Recurring payments

Recurring payments are allowed, but then they should apply from the start of the plan. They cannot be added later. However, recurring payments may be increased later, provided that these increases are allowed by legislation (Section 54 of the Long-term Insurance Act).

A recurring payment is due on the same day of each month, as indicated in the statement.

If recurring payments are made by debit order, and the requested day on which we have to collect the payment does not fall on a working day, or a month does not have the particular day, we will collect it on the following working day.

The transaction date for a recurring payment is the later of the payment due date and the actual payment date. If this is not a working day, the transaction date will be the first working day thereafter. We will not adjust a recurring payment to allow for early payment if it is made before the transaction date.

If a payment is not made in full within a 30 day period of grace, we may consider the recurring payment stopped.

Payment growth

If the plan has payment growth, the recurring payment will be increased according to the conditions of the type of payment growth, as chosen.

We offer the following type(s) of payment growth:

- Fixed growth
- Sanlam inflation.

The payment growth type that applies for a plan is indicated in the statement.

Fixed growth

The recurring payment will be increased each year by the chosen fixed percentage. A percentage from 5% per year up to 20% per year can currently be selected.

Sanlam inflation

The recurring payment will be increased each year by the inflation rate, as determined by us. In setting the rate, we will take into account the change in the consumer price index, or any other commonly accepted method of measuring inflation that may apply at the time. The Sanlam inflation rate may differ from official rates, due to differences in calculation methods. A minimum and maximum increase apply, which may change from time to time.

General information

One-off fund

Any reference to "one-off fund" in this *Sanlam Cumulus Investment – one-off and recurring payments* chapter refers to the part of the fund value built up by one-off payments.

Recurring fund

Any reference to "recurring fund" in this *Sanlam Cumulus Investment – one-off and recurring payments* chapter refers to the part of the fund value built up by the recurring payments.

Start date of plan

The start date of a plan will be determined by the payment option, the date all applicable payments are received by us, and the date all information regarding the plan is captured in Sanlam Life's system.

Start date for only one-off payment

The start date of a plan can be any day of the month.

The start date of a plan will be the later of the payment date of the one-off payment and the date all the applicable information, including any additional information requested by us, is captured in our system.

Start date for recurring payments only

The date of a payment and the start date of a plan may differ, e.g. a stop order may be paid on 15 May, while the start date of the plan may then be 1 June of the same year. The start date will be determined as follows:

- If a recurring payment is made by stop order, the start date of the plan will be the 1st of the month following the first payment.
- For all other payment methods, the start date of the plan will be
 - the same as the payment date, if the payment date is from the 1st of a month, up to and including the 28th of the same month.
 - the 1st of the month following the first payment, if the payment date is from the 29th up to and including the 31st of the month.

Start date for combination of one-off and recurring payments

The start date of a plan depends on the payment date of the recurring payment of the combination, while the payment date of the one-off payment has no influence on the start date.

To determine the start date of a plan, refer to "Start date for only recurring payments" above.

Backdating

No backdating allowed.

Limits for inception age

The minimum and maximum inception ages of a life insured are indicated below.

- Minimum: 1 next birthday
- Maximum: 90 next birthday

Chosen term

The chosen terms are indicated below.

- Minimum: 5 years
- Maximum: 10 years

Option date

It is the date which indicates the end of the term, and is indicated in the statement.

Amount on option date

The fund value is available on the option date. If the planholder decides to take this available amount on the option date, he or she must provide Sanlam Life with a completed claim form at least two days before the option date.

After the available amount is paid to the planholder, the plan will be terminated. Otherwise the plan will continue to be invested in the chosen investment funds until it is terminated, as indicated under "Open-ended term" below.

A one-off payment plan can only be continued without recurring payments, whereas a recurring payment plan can be continued with or without future payments, according to the choice of the planholder.

Open-ended term

After the chosen term has expired, the term of the plan is considered as open-ended. This means that the fund value will not be paid out automatically after the chosen term has expired, but that the plan will continue until the planholder terminates the plan.

Working day

Any reference to "working day" in this *Sanlam Cumulus Investment – one-off and recurring payments* chapter refers to any day of the week from Monday to Friday, excluding public holidays.

Tax on proceeds of plan

No tax is payable on the proceeds of the plan.

Cooling-off period

If the plan really does not meet the planholder's requirements, and if the planholder has not made any changes to it, he or she may cancel it by notifying Sanlam Life in writing within 31 days (the cooling-off period) of receiving the contract documents. The planholder must also return the contract documents to Sanlam Life. Any payments already made will then be refunded to the planholder by Sanlam Life. If the assets in which the payments were invested have decreased in value, or if the planholder has already received benefits from the plan, Sanlam Life will reduce the amount to be refunded accordingly.

The cooling-off period is not applicable to a re-issue.

Changes to a plan

The following changes to a plan are allowed, provided that our conditions at the time are met:

- Make additional one-off payments
- Increase, decrease or stop recurring payments*
- Add, cancel or change payment growth
- Add or remove lives insured
- Add, cancel or change beneficiaries
- Add, cancel or change nominee to become the new planholder
- Add, cancel or change collateral cessions, subject to approval of cessionary
- Add, cancel or change outright cessions, subject to approval of cessionary
- Terminate plan*
- Take loans against a plan*
- Make ad hoc withdrawals from a plan*
- Make regular withdrawals*.

*Subject to legislative restrictions (Section 54 of the Long-term Insurance Act), as indicated under "Legislative restrictions" in this *Sanlam Cumulus Investment – one-off and recurring payments* chapter.

Continuations and conversions not allowed

Continuations and conversions to Sanlam Cumulus Investment are not allowed.

Description of Sanlam Cumulus Investment

The plan is an insurance policy as described under, and regulated by the Long-term Insurance Act, 1998 and the Insurance Act, 2017. The plan is a contract between the planholder, and us, Sanlam Life Insurance Limited (Sanlam Life).

The contract consists of the following:

- the quotation;
- the application for the plan;
- the plan description, as updated from time to time, and available on the Sanlam website at <http://www.sanlam.co.za>;
- the statement, as updated from time to time;
- other documents, correspondence and information, if any, that by implication form part of the contract.

Investment

We invest a recurring payment, plus an additional allocation, if applicable, less charges, in the respective chosen investment funds. The additional allocation depends on the level of commission negotiated at the start. After an advisory fee, if applicable, has been deducted from an initial amount, we invest a one-off payment plus an additional allocation, if applicable, in the respective chosen investment funds.

How and when is the amount allocated to a specific investment fund, invested?

We use the amount allocated to a specific investment fund to buy units in that investment fund on the transaction date.

Unit price

A unit price is calculated daily in South African currency, on the basis of the market value of the assets in the investment fund.

The following are taken into account when the unit price is calculated for a specific investment fund:

- tax, as levied in the applicable policyholders' fund;
- the fund's fixed marketing and administration charge;
- the fees charged by the asset managers.

The unit price of an investment fund is not guaranteed, and may increase or decrease over time, unless it is specifically stated otherwise in the contract.

For the Vesting Bonus Fund the following applies, instead of using the market value directly:

- Regular fully vesting bonuses are declared to give the fund a smooth growth.
- A bonus rate is declared monthly and added to the fund by increasing the unit price with the daily equivalent of the bonus rate.
- The bonus rate is calculated according to the expected long-term return of the fund, while taking into account the monthly market value change.

The unit price of the units of the Vesting Bonus Fund is guaranteed not to decrease over time.

May an investment fund be closed?

Yes. This may occur if, for example, legislation changes or certain classes of assets become unavailable or it is in our opinion no longer prudent to invest in the specific investment fund. If the plan is affected, we will request the planholder to choose another investment fund allowed at that stage for this type of plan, and to inform us of the choice made. If we receive no response to such a request, we will decide in which investment fund to invest the affected part of the plan.

Switching of investment funds

Switching of investment funds allowed at the time for this type of plan may be done on request. We will sell units of the investment funds out of which a switch is done, and buy units of the investment funds into which a switch is done. We do this on the first working day after receiving the switch request.

Future payments may be allocated to any investment fund allowed for this type of plan. The payments already allocated to the current investment funds, will then remain in these investment funds.

Cost to switch investment funds

Currently there is no transaction charge for the first four switches in a plan year. For each subsequent switch in a plan year, we will levy a transaction charge, which will be determined at the time. The current transaction charge is indicated in the statement. We may change the number of free switches from time to time.

Trading of assets

We may use the assets in the investment funds for transactions such as scrip lending. Any income or loss arising from these transactions will be for our own account, and therefore will not affect the plan benefits.

Fund value

The fund value of a specific investment fund is the number of units multiplied by the unit price for that investment fund.

For the Vesting Bonus Fund the fund value will be equal to the number of units in the Vesting Bonus Fund multiplied by its unit price on any of the following dates only:

- the date on which we receive notice of the death of the last surviving life insured, or
- the option date, or
- a date every five years after the option date.

On any other date the fund value will be equal to the lower of the number of units in the Vesting Bonus Fund multiplied by its unit price and the market value of the underlying assets, which may increase or decrease over time. If a benefit is paid, or if a charge is levied for reduction or stopping of the recurring payment, at a time when the market value of the underlying assets is the lower of the two values, a market value adjustment will be applied to the number of units in the Vesting Bonus Fund. This will be done by selling a number of units equal in value to the difference between the number of units multiplied by the unit price and the market value of the underlying assets. The remaining units in the Vesting Bonus Fund, if any, will therefore be less than they would have been if a benefit had been paid at a time when the number of units multiplied by the unit price was lower than or equal to the market value of the underlying assets.

The fund value of the plan is the total fund value of all the investment funds for that plan.

Loyalty bonus

Rebates on certain charges are added to the fund value in the form of a loyalty bonus on the plan anniversaries indicated below. The amount of the loyalty bonus is calculated as a percentage of some of the charges deducted from the plan since the date on which the previous loyalty bonus was added or since the start date for the first loyalty bonus.

The rebate percentage for each relevant plan anniversary is as follows:

Plan anniversary from start date	Rebate on charges %	
	Chosen initial term 5 years or less	Chosen initial term greater than 5years
5	35	20
10	55	62.5
15, and every 5 years thereafter	65	65

The charges included in the calculation of the loyalty bonus are:

- the fixed marketing and administration charge, plus
- the variable marketing and administration charge.

For the purpose of this calculation these charges are adjusted at the same rate at which the unit price of each investment fund changes.

We will also add a loyalty bonus to the benefit amount at any of the following events, provided that the event happens on or after the earlier of the option date and eight years from the start date of the plan:

- the plan is terminated on request, or
- a loan is made against the plan, or
- an ad hoc withdrawal from the plan is done.

We will also add a loyalty bonus when the plan is terminated due to a death claim. If the date of any of the above events falls between any of the plan anniversaries in the relevant table above, the next plan anniversary in the table is used to determine the percentage of the rebate. The calculation of the loyalty bonus may be negatively affected when an alteration is done before the option date, except if the alteration is to reduce or stop the recurring payment.

We will add the loyalty bonus to the fund value or benefit amount by adding units to the plan. If the plan anniversary or termination date on which the loyalty bonus is payable is not on a working day, we will add the units on the first working day thereafter.

Charges

Tax included in charges

Tax is levied according to the rate applicable to the relevant policyholders' fund.

Charges for the plans

The current charges are indicated in the statement and can be one or more of the following:

- A **payment charge**, deducted from recurring payments, if payments are made by stop order. The charge is calculated as a percentage of the recurring payment (currently 3.5%).
- If the investment in the Vesting Bonus Fund is increased, other than through normal savings payments, within 5 years before the option date, we may levy a **participation charge** on the increased part. This charge is deducted from the fund value by selling units to the value of the charge.
- A monthly **plan charge**, which will be increased from time to time to allow for inflation, as determined by us. The charge is deducted monthly from the fund value by selling units to the value of the charge.
- A yearly **advice charge**, if applicable, which is a percentage of the fund value, and depends on the negotiated ongoing commission. This charge is calculated on a monthly basis, which means it is divided by 12. The charge is deducted monthly from the fund value by selling units to the value of the charge. A yearly **marketing and administration charge**, which consists of two parts:

- A **fixed marketing and administration charge***, which is a percentage of the fund value and may differ for different investment funds. It is taken into account when we calculate the daily price of the units.
- A **variable marketing and administration charge***, which is a percentage of the fund value. Separate percentages apply to the one-off and recurring funds. This charge is calculated on a monthly basis, which means it is divided by 12. The charge is deducted monthly from the fund value by selling units to the value of the charge.

The variable administration charge changes as the fund value increases to higher fund value bands, as indicated in the statement.

For the Vesting Bonus Fund the variable marketing and administration charge will always be calculated on a fund value equal to the number of units in the Vesting Bonus Fund multiplied by its unit price.

*Some asset managers give a rebate on the asset management charge, or pay us a platform management fee, for their investment funds. Such a rebate or fee is taken into account when the fixed and variable marketing and administration charges are calculated. The impact of this is that the fixed and variable marketing and administration charges are lower than what they would have been without a rebate or platform management fee. The size of the rebate or platform management fee as a percentage of the market value for each investment fund is indicated in the statement.

Deductions made by the asset managers

An asset manager charges fees for investment research and for selecting the underlying assets of an investment fund. These fees are taken into account in the calculation of the daily unit price of an investment fund. The published performance figures of an investment fund are therefore net of these fees. More information on these fees and their current values are available in the statement part of the contract.

Alteration charge

A plan may be changed at any stage, provided we agree to the alteration. We will levy an alteration charge if the alteration is done before an alteration charge date. The alteration charge date is determined at the start and does not change at subsequent alterations. Separate alteration charge dates apply to the one-off and recurring funds.

The alteration charge will be taken from the fund value by selling the required number of units.

The alteration charge date and the current alteration charge for the most common alterations are indicated in the statement.

Transaction charge

In addition to the above-mentioned alteration charge, we will levy a transaction charge for each of the following alterations:

- Termination of the plan;
- A loan against the plan;
- An ad hoc withdrawal from the plan.

We will also levy a transaction charge if the recurring payment is reduced or stopped. The amount of this transaction charge is determined by means of regulatory measures and it will change in future if such regulatory measures or legislation change.

We will not levy this transaction charge on or after the option date.

We will also levy a transaction charge for other transactions, as mentioned in this *Sanlam Cumulus Investment – one-off and recurring payments* chapter, and as indicated in the statement. This transaction charge will be increased from time to time to allow for inflation, as determined by us.

We will continue to levy a transaction charge after the alteration charge date.

Every transaction charge will be taken from the fund value by selling the required number of units.

Investment advice agreement between the planholder and the intermediary

Initial investment advice

If the planholder has agreed to pay the intermediary an advisory fee, this fee will be deducted from the initial amount received before the difference is invested in the plan.

Ongoing investment advice

The planholder may request us to pay a fund-based fee, including VAT if applicable, for ongoing investment advice for his or her investment, but only from the option date. We will pay this fee monthly to the intermediary who provides this advice.

This investment advice is a discretionary service that is provided by an intermediary nominated by the planholder. It is not part of the intermediary services for which we pay commission.

The fund-based fee for the investment advice is specified as a percentage per year of the fund value. The planholder must specify the percentage. The fund-based fee is calculated on a monthly basis, which means that the specified percentage is divided by 12. It is deducted monthly from the fund value by means of a withdrawal. Because the fund-based fee is based on the fund value, the rand value of the fund-based fee will fluctuate. For example, a fund-based fee of 0.50% implies R41.67 per month if the fund value equals R100 000.00.

For the Vesting Bonus Fund a fund-based fee will always be calculated on a fund value equal to the number of units in the Vesting Bonus Fund multiplied by its unit price.

The current fund-based fee, if applicable, is indicated in the statement.

Reduction or stopping of the recurring payment

The recurring payment may be reduced or stopped on request, provided that our conditions at the time are met. We will levy a transaction charge when the recurring payment is reduced or stopped before the option date.

One of the conditions for stopping the recurring payment is a minimum fund value after the transaction charge, if applicable, has been deducted. If recurring payments are stopped despite this condition not being met, the plan will be terminated. If no termination value is available, the plan will lapse. The minimum fund value is indicated in the statement.

Realising the plan benefits

The plan benefits may be realised in one of the ways described below. To realise a benefit, we will sell units on the day on which we receive the request.

Legislative restrictions, as mentioned in this *Sanlam Cumulus Investment – one-off and recurring payments* chapter, may apply.

Termination of the plan

A plan may be terminated on request. The fund value less the alteration and transaction charges, if applicable, will be paid to the planholder when the plan is terminated.

A loan against the plan

Two months after the start date the planholder may apply for a loan against the plan, provided that our conditions at the time are met.

Currently the conditions are the following:

- The loan amount may not be less than a minimum amount.
- The fund value, less the loan amount and the alteration and transaction charges, if applicable, may not be less than a minimum.
- The loan amount may not exceed a certain percentage of the termination value.

As these conditions will change from time to time, they will be communicated when the planholder applies for a loan.

The day on which we receive the request for a loan, we will switch a number of units, equivalent in value to the approved loan amount, to units in the Stratus Loan Fund for planholders. This fund does not participate in any growth.

We will base the calculation of the alteration charge, if applicable, on the reduction in the fund value as a result of the loan amount and the transaction charge.

An ad hoc withdrawal from the plan

The planholder may make an ad hoc withdrawal from the plan, provided that our conditions at the time are met. As these conditions will change from time to time, they will be communicated when the planholder applies for an ad hoc withdrawal. We will sell the required number of units to pay the alteration and transaction charges, if applicable, and the withdrawal amount. The fund value will reduce by the value of the units sold.

Regular withdrawals from the plan

The planholder may apply to make regular withdrawals from the plan, provided that our conditions at the time are met. One of these conditions is that regular withdrawals may not be made while recurring payments are being made. However, as conditions will change from time to time, they will be communicated when the planholder applies for regular withdrawals.

The details of the regular withdrawals will be indicated in the statement after we have accepted the application for making regular withdrawals.

We levy a transaction charge for each withdrawal payment made. The charge will vary over time. Its current level is indicated in the statement.

We will sell the required number of units from the applicable investment funds in proportion to their fund values to pay the transaction charge and the withdrawal amount. The fund value will reduce by the value of the units sold.

We will sell the units on the requested withdrawal day. If a month does not have this particular day, or if it does not fall on a working day, we will sell the units on the following working day. We will pay the withdrawal amount as soon as possible after the units have been sold.

We will stop the regular withdrawals when they fail to satisfy our conditions.

Legislative restrictions

In terms of current legislation, a restriction period applies to the plan, ending on the restriction period end date, as indicated in the statement.

During a restriction period, if the planholder wants to terminate the plan, we may not pay more at the termination than an amount determined according to legislative restrictions (Section 54 of the Long-term Insurance Act.). If the termination value is more than the amount restricted by legislation, we will pay the restricted amount as an ad hoc withdrawal. The balance will remain invested until the restriction period end date.

Only one ad hoc withdrawal may be made from the plan during a restriction period. The amount of such an ad hoc withdrawal is limited to the amount as determined above. If an ad hoc withdrawal was made during a restriction period, another ad hoc withdrawal will not be allowed before the restriction period end date.

In addition, we may grant only one loan against the plan during a restriction period. The amount of such a loan is also limited, as described above. If we have granted a loan during a restriction period, we may not do so again before the restriction period end date.

Regular withdrawals may only be made from the plan after the restriction period end date.

Benefit payable at death

The benefit amount is equal to the fund value on the date that we receive notice of the death of the last surviving life insured.

The benefit amount of a plan will be paid to the planholder if he or she is still alive, or to his or her estate. However, the planholder may appoint one or more beneficiaries to receive the benefit amount. Refer to "Role players and cessions" in this *Sanlam Cumulus Investment – one-off and recurring payments* chapter for more information.