



**Clientèle**



# CLIENTÈLE ULTIMATE FOUNDATION PLAN



IFA is a division of Clientèle Life



# CLIENTÈLE ULTIMATE FOUNDATION PLAN

Entry Age: 25 - 55



The Clientèle Ultimate Foundation Plan is the first step in building strong foundations for your future. Clientèle recognises that all IFAs need to take care of their families in the event of unforeseen circumstances and at the same time understands that saving is an important part of everyone's life. So in designing this product for IFAs, Clientèle has added a savings component to the valuable life benefits offered on the plan.



## LIFE FOUNDATION: R175

- 1 **R50,000 Accidental Death Benefit**  
(reduces to 50% at 76 and ceases at 80)
- 2 **R50,000 Accidental Disability Benefit**  
(ceases at 70)
- 3 **R30,000 Dread Disease Benefit**  
(reduces to 50% at 60 and ceases at 70 and excludes pre-existing conditions.)

### Investment Percentage

From the first month 95% of the Savings Foundation premium starts accumulating an investment value.

### 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 payment equal to the last monthly earnings earned will be paid for every month 2 years thereafter.

### Investment Booster

Provided no claim or surrender has been submitted in the relevant period: for every 60 premiums paid the first 6 months' Life Foundation premiums will be paid into the Savings Foundation.

### Inflation Protection

Built in annual increases protect your policy from the effects of inflation: premium increases by 10% Life Foundation Benefits increase by 6% annually.

### Premium Pay Back Benefit

All Life Foundation premiums paid, are paid back in the event of the natural or accidental death of the Policyholder after a 6 month waiting period. The Premium Pay Back Benefit is forfeited when a policy lapses and starts again after re-sale.

### IFA Business Fee Pay Back Benefit

All Business Fees paid, are paid back in the event of the natural or accidental death of the Policyholder after a 6 month waiting period. This is calculated from the commencement of the oldest Ultimate Plan and any Business Fees paid prior to the commencement of this plan are excluded. The IFA Business Fee Pay Back Benefit is forfeited when a policy lapses and starts again after re-sale. Only applicable on 1 IFA policy and should the IFA have more than 1 Ultimate policy, it will only be paid once.

### Pay Back Benefits at 65 Option

If an IFA is under the age of 50 when purchasing a Clientèle Ultimate Foundation Plan, the IFA has the option to select 50% of the Premium Pay Back and IFA Business Fee Pay Back Benefits to be paid when the Policyholder turns 65. The balance of the premiums will then be paid upon death.

# CLIENTÈLE ULTIMATE FOUNDATION PLAN

## EFFECTIVE ANNUAL COST (EAC)

### EXAMPLE

#### BENEFIT AMOUNT

Example based on a 32 year old IFA, who takes a R350 Ultimate Foundation Plan in 2022 and pays all premiums and IFA Business Fees and dies as a result of an accident after 10 years.

Accidental Death Benefit PLUS Premium Pay Back Benefit plus IFA Business Fee Pay Back Benefit.

Total amount payable: R137,123.99 in addition to the accumulated savings in your Investment Account.

This example is based on an active IFA at death, all premiums and IFA Business Fees paid during this period and based on a 6% annual increase in the Life Foundation Benefits, a 10% annual increase in premiums, an appropriate increase in IFA Business Fees and no claims or surrenders during the period.

*Note: For the Clientèle Ultimate Foundation Plan the amount invested will be the Savings Foundation premium only i.e. R175, and does not include the Life Foundation premium or the IFA Business Fee.*



The Effective Annual Cost (EAC) is a measure which has been introduced to allow you to compare the changes 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 below is illustrative and based on an assumed monthly Savings Foundation premium of R250 on the Clientèle Ultimate Foundation Plan (such a policy would have a total premium of R425 including R175 for the Life Foundation Benefit).

Impact of charges	Surrender After				
	1 Year	3 Years	5 Years	10 Years	20 Years
Investment Management*	1.0%	1.0%	1.0%	1.0%	1.0%
Advice**	0.0%	0.0%	0.0%	0.0%	0.0%
Administration***	9.7%	3.5%	2.2%	1.1%	0.6%
Other****	48.8%	12.2%	5.2%	0.6%	0.0%
Effective Annual Cost	59.5%	16.7%	8.4%	2.7%	1.6%

\*Refer to page 4



- \* 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 Ultimate Foundation 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.

\*\* 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 Ultimate Foundation Plan this is a fixed charge of 5% of the monthly Savings Foundation premium you pay. Based on the assumed monthly Savings Foundation premium of R250 used in the above calculations, this charge is 5% of each monthly premium you pay.

\*\*\*\*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, if you surrender your Clientèle Ultimate Foundation Plan after 3 years, the Effective Annual Cost will be 16.7%. However, if you surrender it after 20 years, this cost drops to 1.6% on the Clientèle Ultimate Foundation Plan. Remember that you will get the maximum benefit from your Clientèle Ultimate Foundation 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 R250 on the Clientèle Ultimate Foundation 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

For the Clientèle Ultimate Foundation Plan the amount invested will be the Savings Foundation premium only and does not include the Life Foundation premium or the IFA Business Fee.



# CLIENTÈLE ULTIMATE FOUNDATION PLAN FAQ'S

- 1 How does Clientèle Life help grow my savings?**

Clientèle Life will invest a percentage of each Savings Foundation premium you pay on a monthly basis (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. In addition if you die in an accident, your beneficiary will receive the Accidental Death Benefit.
- 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](mailto: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



Life insurance policies are underwritten by Clientèle Life Assurance Company Limited, a licensed life insurer and an authorised Financial Services Provider, FSP No. 15268. Premiums escalate by 10% and benefits escalate by 6% annually.

Visit [www.ifa.co.za](http://www.ifa.co.za) or [www.ifamobile.co.za](http://www.ifamobile.co.za). Terms & conditions apply.