Clientèle Wealth Plan

What the policy covers

1. This is a long-term investment plan that is managed by professional fund managers who will invest in shares on the Johannesburg Stock exchange (JSE) as well as other assets such as cash or property.
2. If the client is a new IFA, the premium will be split. The first R20 (which changes every year in February) will be allocated for the Earnings Guaranteed Benefit (EGB)
3. On the Earnings Guaranteed Benefit (EGB) - 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 monthly for 2 years thereafter.
4. Conditions on the Earnings Guaranteed Benefit
   In the case of Total and Permanent Disability, the disability must occur before the age of 65.
   - If this benefit exists on more than one policy, it will only be paid once unless stated otherwise in the policy documents.
   - Total payment for this benefit (even where multiple payments are made - see point above) is limited to a maximum of R5 Million per IFA.
   - The IFA Earnings used to calculate this benefit are basic earnings only and specifically exclude any bonus or club payments.
   - This benefit remains active as long as you continue to pay your premiums.
5. Investment Booster – for every 120 premiums paid, you can get 120 Earnings Guaranteed Benefit premiums paid back into your investment account, provided there is no claim or surrender that has been submitted in the relevant period.
   Conditions:
   - The amount payable into the Investment Account is the last 120 Earnings Guarantee Benefit Premiums paid since commencement or the last investment booster payment. This specifically excludes the Savings Component Premium, any Additional Benefit Premium and the IFA Business Fee.
   - If your Policy is resold the 120 month period starts again and previous Premiums paid are not counted towards the Investment Booster Benefit.
   - Please note that you will only qualify for the Investment Booster Benefit after 120 months even if 120 Premiums are paid in less than 120 months.
6. To protect your policy from the effects of inflation, premiums will increase by 10% annually.

How the policy works

1. You must be between 18 – 54 years old to apply for this policy.
2. Based on your initial monthly premium (excluding the IFA Business Fee and IFA Earnings Guarantee Benefit), a certain percentage will be invested that has been allocated. The allocation percentage will not change during the lifetime of the policy (unless premiums are reduced).
3. 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.
4. 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 investments past performance through our call centre.
5. When your Policy reaches its Maturity Date, you have the option of withdrawing the full value of your Investment Account with no Surrender Charges. Alternatively, you can choose to leave the funds in your Investment Account either paying or not paying further Premiums and then withdraw the full value at a later stage with no Surrender Charges.
6. For every missed Premium an Unpaid Premium Charge will be deducted from your Investment Account. The current charge is R43.00 but this is subject to increase from time-to-time. If you miss 3 consecutive Premiums or have 2 consecutive disputes on your policy, and there is value in your Investment Account, your Policy will be converted to a Paid Up status, at which time, the Investment Account will be reduced to a level equivalent to the Surrender Value at that stage (as illustrated in the table above). This means that we will no longer deduct Premiums from your bank account, but will continue deducting the monthly Investment Charges and the Unpaid Charge from your Investment Account. Should the Paid Up Policy be surrendered at a later date, the amount payable will be the Investment Account at that stage less the Policy Surrender Charge. Should your Investment Account drop to zero your entire Policy will automatically lapse.
7. In the event of your death, your Beneficiary will be paid the full value of your Investment Account without any deductions.

What happens if a client wants to surrender their policy?

1. You can choose between a Full or Partial Surrender depending on how much of the Surrender Value you would like to withdraw. A Full Surrender is where you withdraw the full value of your Investment Account and the Policy terminates. A Partial Surrender is where you withdraw a portion of the value of your Investment Account but continue to pay your monthly Premium. Please note that, in terms of legislation, you may action a maximum of one Partial or one Full Surrender during the first 5 years of the Policy.
2. It is important to remember that this Policy was designed as a long-term investment and it is in your best interest to pay the monthly Premiums for the whole term on the Policy before surrendering. If you choose to surrender the Policy before this time it will result in early surrender charges being deducted from your Investment Account. These charges are used to offset certain upfront costs which become unrecoverable.
3. The Surrender Value will be calculated by multiplying your Investment Account by the percentage below depending on how many monthly Premiums you have paid and how old the Policy is.

Number of Premiums Paid and age of Policy in Months	Percentage
1 - 12	89.0
13 - 24	89.0
25 - 36	89.0
37 - 48	89.5
49 - 60	91.0
61 – 72	92.5
73 – 84	94.0
85 – 96	95.5
97 - 108	97.0
109 – 120	98.5
121+	100.0