



# Holland Endowment Plan

Information Document

**Holland.**  
investments

## Hollard Endowment Plan

This document contains general information about the Hollard Endowment Plan. The content of this document is factual and it should not be seen as advice.

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## 1. Definitions

### 1.1 Hollard Endowment Plan

The Hollard Endowment Plan is an investor-owned endowment policy, issued by Hollard Life under the provisions of the Long-term Insurance Act, No. 52 of 1998, as amended and Insurance Act, 18 of 2017.

### 1.2 Hollard Life (The Administrator)

Hollard Life Assurance Company (Pty) Ltd (Reg No. 1993/001405/06), a Licensed Life Insurer and an authorised Financial Services Provider (FSP). Hollard Investments is a division of Hollard Life.

### 1.3 Management Company/Asset Manager (Manager)

The legal entity that renders intermediary services of a discretionary nature with regards to the management of a particular financial product, for example Unit Trust Funds, a private unregistered pool of investment funds (alternative investments) or investment portfolios managed on behalf of a single client in a segregated mandate.

### 1.4 Investor (you)

The individual or trust who owns the Hollard Endowment Plan policy, also referred to as “you” or “the policyholder”.

### 1.5 Investment Portfolio

The selection of Unit Trust Funds and other investment options offered within the Hollard Endowment Plan, as amended from time to time.

### 1.6 Units

An Investment Portfolio is divided into equal parts called participatory interests, also referred to as ‘units’. Each unit represents a direct proportionate interest in every underlying asset of the Investment Portfolio. The number of units in your Investment Portfolio depends on how much money you contribute and what the unit price is when the units are purchased. For certain Investment Portfolios these units may be notional in nature, used for administration purposes.

### 1.7 Investment Account

Your Investment Account is the account through which the policy and the Investment Portfolios you select are administered. You will receive a unique investment number which identifies your Investment Account.

### 1.8 Restricted Period

Long-term Insurance Act, No. 52 of 1998 imposes a 5 year Restricted Period during which there are certain limitations regarding withdrawing from the policy. Once the Restricted Period has lapsed the policy will move into an open ended status, at which point the restrictions will fall away. The policyholder may remain invested for as long as he/she chooses, the policy is not subject to a fixed term.

### 1.9 Life Assured

The natural person(s) named as the life assured, the last of whose death will trigger the payment of a death benefit from the policy. The Policyholder (if a natural person) is by default the primary Life Assured.

#### **1.10 Beneficiary for Proceeds**

A party nominated by the policyholder to receive a benefit from the policy in the event of the death of the last surviving Life Assured.

#### **1.11 Beneficiary for Ownership**

A natural person, or a Trust which itself has only natural person beneficiaries, nominated by the policyholder to become the owner of the policy in the event of policyholder's death, should the policyholder not be the last surviving Life Assured.

#### **1.12 Financial Services Provider (FSP)**

An entity authorised by the Financial Services Board to provide financial services to clients in the form of advice and/or intermediary services.

#### **1.13 Financial Advisor**

A representative of an authorised FSP, who is authorised to provide advice and/or intermediary services and has been appointed in such capacity by the policyholder.

#### **1.14 The Investment Manager**

An approved Financial Services Provider acting as the Investment Manager for one or more Model Portfolios offered by Hollard Investments, as mandated by the policyholder by means of a Model Portfolio client mandate agreement.

#### **1.15 Model Portfolio**

The collection of notionally grouped Investment Portfolios managed by the Investment Manager on behalf of the policyholder. Model portfolios help you achieve your personal investment objectives by using "asset allocation strategies," which consider which asset class mix will result in the optimal risk return profile for the policyholder over a specified investment time period. An asset class is a broad group of individual securities or investments that have similar characteristics, such as an equity or a bond.

#### **1.16 Business Day**

A Business Day is any day other than a Saturday, Sunday or South African public holiday. Business is only conducted on Business Days.

## **2. Documents which constitute the agreement with respect to your Hollard Endowment Plan policy**

- Your initial application form.
- Your signed investment quotation, applicable to the investment.
- The Investment Portfolio list.
- The latest policy schedule and policy document provided to you.
- Any other amendments or endorsements issued.

## **3. Description of the Hollard Endowment Plan**

Hollard Life issues and underwrites the endowment policy as part of its long-term insurance business under the provisions of the Long-term Insurance Act, No. 52 of 1998, as amended and Insurance Act 18 of 2017. The Policy is an investor-owned linked endowment Policy which invests in the Investment Portfolios specified by the policyholder.



## 4. Important information relating to the Hollard Endowment Plan

### 4.1 Monies which can be invested

Contributions may be invested into the Hollard Endowment Plan in the form of:

- An initial once-off investment
- An additional once-off investment

You may invest a once-off contribution at any time subject to legislative limits as discussed below. The Administrator does not accept cash contributions and no foreign currency contributions will be accepted. Once-off lump sum investments must be made by way of Electronic transfer.

Legislation limits the amount which may be contributed to the policy via additional contribution as follows:

- During the first year after the initial investment takes place, there is no limitation on the amount which may be contributed.
- In subsequent years, a maximum of 120% of the larger of the contributions made during either of the two preceding years may be invested. Should the additional contribution exceed this amount, the policyholder will be required to open a new policy for which the five-year Restricted Period will apply.

### 4.2 Minimum investment amount

The minimum amount required to open a Hollard Endowment Plan is **R100 000.00** per policy (One Hundred Thousand Rand).

The additional contribution minimum of **R20 000.00** (Twenty Thousand Rand) per policy applies.

**Please note:** The number of policies that may be opened at the onset of the investment is limited to 10 (Ten).

### 4.3 Endowment tax application

Endowment policies underwritten by Hollard Life are taxed within the individual policyholder fund in accordance with Section 29A of the Income Tax Act 58 of 1962 as amended from time to time. The individual policyholder fund is subject to income and capital gains tax at the prevailing rates prescribed by legislation.

- Tax relating to taxable capital gain and taxable income will be passed on to Policyholders in the form of an interest and capital gains tax recovery charge.
- The policy is subject to dividend tax. This will be withheld from the local dividend portion of a distribution received from an Investment Portfolio.
- Policyholders should obtain independent tax advice, relevant to their circumstances, prior to investing.
- Policy proceeds paid out to policyholders are net of tax.

### 4.4 Investments for Minors

Minors may invest in an Endowment policy provided they are assisted by their legal guardian. Their guardian is required to sign the investment application form on behalf of the minor before the minor attains age 18. On attaining age 18 the minor has full legal contractual capacity in regard to the policy.

### 4.5 Nomination of Beneficiaries

You may nominate one or more parties to receive any benefits that may be payable on the death of the last surviving Life Assured, subject to the acceptance of The Administrator. It is important to keep your beneficiary nomination up to date as benefits will be paid to the last beneficiaries on record prior to the death of the last surviving Life Assured.

Hollard Life will carry out identification and verification procedures on nominated beneficiaries, as per the anti-money laundering policy of Hollard. Hollard Life reserves the right to accept or decline beneficiary nominations at Hollard Life's sole discretion. You will receive written confirmation from Hollard should a beneficiary nomination be declined. In this event, you will be required to nominate a new beneficiary.

#### **4.6 Ceding of your Hollard Endowment Plan as collateral**

The policy may be ceded as security. The Administrator will record the cession without expressing any opinion as to the validity thereof. Withdrawal instructions on the policy will not be permitted while the cession is in place unless the party to which the policy is ceded has approved the instruction. Multiple security cessions on policies will not be permitted.

#### **4.7 Transferring your policy to another party**

The policy may be ceded to a third party provided that a security cession is not in force on the policy. Where there is more than one policyholder all the policyholders must sign the notification of cession. The policy will become the property of the party to whom it is transferred, who will take over all rights and obligations of the policyholder. The original policyholder will have no further rights or obligations in terms of the policy from the date on which The Administrator is informed of the outright cession.

#### **4.8 Cancellations and Cooling Off**

A cooling off period of 31 days applies to the Hollard Endowment Plan from the date of receipt of the policy schedule (which shall be regarded as having been received within 7 days of the policy inception date). If you request to cool off, the amount paid back to you will be the market value of the Investment Portfolios at the time of processing the instruction and may be more or less than the initial investment amount due to Investment Portfolio market movement. Any fees paid to The Administrator and your Financial Advisor will be reversed.

#### **4.9 Guarantees**

Hollard Life does not provide a guarantee on the value of your investment, nor does Hollard Life guarantee the performance of the Investment Portfolios in your Investment Account. The market value of your Investment Account may fluctuate and go down as well as up, and past performance is not necessarily a guide to future performance. You carry the investment and market risk which includes the possibility of losing capital.

#### **4.10 Loans**

You may not take a loan from your Hollard Endowment Plan policy.

#### **4.11 Losses incurred**

By submitting an investment application or instruction to The Administrator, you accept the risks associated with email or fax communication and understand that The Administrator shall not be liable for all and any losses that you may incur, if The Administrator has not received your communication, whether due to the failure, malfunction, or delay of any networks or electronic or mechanical device or otherwise.

The Administrator will not be liable to make good or compensate you or any third party for any damages, losses, claims, or expenses resulting therefrom.

Other losses that The Administrator will not be responsible for are as follows:

- Any changes in tax or other legislation.
- The investment or market risk of the underlying investments.
- Financial Advisors acting beyond the scope of their Financial Services Provider license.
- If your Financial Advisor does not comply with the Financial Advisory and Intermediary Services Act (FAIS) or the Financial Intelligence Centre Act (FICA).
- A rejection of an application or a delay in processing as a result of a Financial Advisor not being an authorised Financial Services Provider or not having the required contract with Hollard Life.

- If an unauthorised instruction is received from your appointed Financial Advisor.
- The Administrator providing your Financial Advisor with details about your investment whether via telephone, fax, email or via a dedicated web front end secured investment portal.
- Errors, omissions, or actions taken by the Manager, Financial Advisor, or any bank or other third party.
- An action resulting from incorrect information where the policyholder failed to provide The Administrator with correct or up-to-date information.
- Delays in processing instructions as a result of extraordinary events that cause disruptions. The Administrator will carry out instructions at the earliest possible opportunity subject to legislation and The Administrator's administration procedures and Investment Portfolio limitations.
- The delayed sale of some or all of your Investment Portfolio due to ring-fencing. 'Ring-fencing' is the separation and delayed sale of units in an Investment Portfolio. It is caused by the sale of units above a certain threshold in an Investment Portfolio. Ring-fencing makes sure that the sale of a large number of units will not force the Manager to sell the underlying assets at a price which could negatively affect Investors in the Investment Portfolio. The Administrator may delay the sale of units or the payment of the proceeds thereof from an Investment Portfolio for which ring-fencing has been invoked.
- Any errors made by the Manager, or any bank or other third party or as a result of incorrect instructions provided by the policyholder.

## 5. Setting up and managing your Hollard Endowment Plan

### 5.1 Obtaining financial advice

Should you require financial advice, it is your responsibility to appoint a Financial Advisor and to negotiate the fees payable to him/ her.

Hollard Life, in its capacity as the Administrator of your policy, and the Manager do not provide financial advice, and may only supply the policyholder with factual or administrative information relating to the investment products and Investment Portfolios provided by Hollard Life. Hollard Life may not advise as to which of the Investment Portfolios are suitable for your risk profile or investment needs. You may not rely on any written, spoken or implied communication from us as investment advice, or as a recommendation to invest in or change your investment.

### 5.2 Appointment of a Financial Advisor

You may appoint a Financial Advisor, revoke the appointment, or change Financial Advisors at any time by submitting an instruction in writing to The Administrator. Your Financial Advisor must be contracted with Hollard Life to sell the Hollard Endowment Plan. Your Financial Advisor will be informed should you revoke his/her appointment, and once the instruction has been processed no further fees will be paid to the Financial Advisor. You are not permitted to appoint a Financial Advisor who is not a representative of a duly authorised FSP. Should you choose not to appoint a Financial Advisor, you may be required to sign an indemnity to this effect.

### 5.3 Selection of Investment Portfolios/Model Portfolios

You may select any one or a combination of the Investment/Model Portfolios offered by The Administrator to invest into within your Hollard Endowment Plan policy. You will be able to invest in a Model Portfolio should this option be provided by your Financial Advisor. Please refer to the latest Investment Portfolio list available on the Hollard Investments website for more information on the Investment Portfolio range.

The Investment Portfolios available for selection at the time of your investment are subject to availability and may be closed at the discretion of The Administrator or the Manager.

It is important for you to monitor and review your Investment/Model Portfolio selection on a regular basis, in order that your investment continues to meet your financial needs.

#### **5.4 Submitting instructions on the Hollard Endowment Plan forms**

All the instructions which you submit must be completed on the latest Hollard Investment forms. All forms are available on the Hollard Investments website or from your appointed Financial Advisor.

#### **5.5 Providing complete and accurate instructions/information**

All instructions which are submitted must be fully completed and accompanied by any required supporting documentation. You must ensure that all the information, instructions and supporting documentation provided is true and accurate. The Administrator may only accept an instruction signed by your Financial Advisor if he/she holds the required discretionary FAIS license, you have mandated him/her to act on your behalf in the correct capacity and said mandate has been provided to The Administrator.

All instructions are subject to:

- The requirements of The Administrator, the Manager(s), and applicable legislation at the time of the transaction.
- The availability of the selected Investment Portfolios.
- The processing requirements of The Administrator (this includes cut-off times and processing times).
- The minimum investment amounts specified by The Administrator as applicable at the time of the transaction. The Administrator may suspend, delay, or reject your instruction should all requirements not be met.

#### **5.6 Investment of additional contributions**

You may invest additional monies into your Hollard Endowment Plan policy, subject to the maximum contribution restriction imposed by legislation, as specified in section 4:

- During the first year after the initial investment takes place, there is no limitation on the amount which may be contributed.
- In subsequent years, a maximum of 120% of the larger of the contributions made during either of the two preceding years may be invested. Should the additional contribution exceed this amount, the policyholder will be required to open a new policy for which the five-year Restricted Period will apply.
- The additional contribution minimum of **R20 000.00** (Twenty Thousand Rand) per policy applies.

#### **5.7 Income distributions**

An Investment Portfolio may declare and pay income distributions at regular monthly, quarterly, bi-annual, or annual intervals. The distribution comprises interest and dividends earned by the Investment Portfolio from the underlying assets in which it invests, less any expenses incurred. If the total expenses are more than the income earned, the Investment Portfolio will not make a distribution. Dividend distributions will be subject to Dividend Withholding Tax (DWT)

Any distributions earned net of DWT are reinvested automatically into the Investment Portfolio and the effect thereof will be reflected in the net asset value of the Investment Portfolio.

#### **5.8 Switching between Investment Portfolios/Model Portfolios**

You may switch into new Investment/Model Portfolios or between your existing Investment/Model Portfolios within your Endowment Plan Investment Account. You may not switch between Investment Portfolios within a Model Portfolio; the Investment Manager will perform switches on your behalf. You may however request to switch into or from the Model Portfolio. Please refer to the latest Investment Portfolio list on the Hollard Investments website for a list of the available Investment Portfolios. Your switch will not be processed if you select an Investment Portfolio that is not available at the time of processing the instruction.

Please note that should you request to switch an amount in excess of 90% of the rand value of your investment portfolio, a percentage of units' switch will be processed equivalent to the rand amount requested.



For example if the switch rand amount equates to 92% of your investment portfolio, 92% of the unit balance will be switched. In these instances, depending on the confirmed Unit Price for the Investment Portfolio/s the switch amount may be a greater or smaller than was originally requested.

In order for the switch to be processed a Hollard Endowments Switch Instruction Form must be completed and submitted to The Administrator.

## 5.9 Withdrawals

The Long-Term Insurance Act imposes a 5 year Restricted Period during which there are limitations on the number and value of withdrawals which may be taken from the Endowment policy. During the Restricted Period one withdrawal may be taken, this applies to whether you withdraw a portion or the full amount. There are no exceptions to this rule as per the legislation (For example: you or a third party may not request a second withdrawal *inter alia* you go through a divorce and your spouse wishes to access the remaining portion as per a court order; or you become ill and need the remaining funds to pay for medical expenses etc.)

The value of the withdrawal may not exceed the lesser of:

- The value of contributions made during the Restricted Period plus 5% interest compounded over the period.
- The current market value of the investment less any fees and charges due.

If the value of the policy is less than the minimum amount stipulated in legislation, currently set at R10 000, then these restrictions will not apply. If the remaining balance in the Investment Account after the withdrawal is processed is less than the stipulated minimum, then a full withdrawal will be processed.

There are no restrictions on the value, or the number of withdrawals permitted once the Restricted Period has ended.

Please note that should you request to withdraw an amount in excess of 90% of the rand value of your investment portfolio, a percentage of units withdrawal will be processed equivalent to the rand amount requested. For example if the withdrawal rand amount equates to 92% of your investment portfolio, 92% of the unit balance will be withdrawn. In these instances, depending on the confirmed Unit Price for the Investment Portfolio/s the withdrawal amount may be greater or smaller than was originally requested. The legislative rule which restricts the value withdrawal from an endowment policy remains in effect and will be applied in conjunction with the rule described above.

Withdrawal transactions that have been confirmed as received and processed cannot be reversed and are subject to the notice period and liquidity of the Investment Portfolio as specified by the Manager.

## 5.10 Information requests

We may request information from you from time to time to comply with legislation and to manage your investment efficiently. You are required to respond to these requests within the time period specified.

You have the right to request recordings of any telephonic disclosures made by contacting us at 0860 202 202 or emailing us at [customercare@hollardinvestments.co.za](mailto:customercare@hollardinvestments.co.za)

## 5.11 Amendments to personal particulars and bank account details

It is imperative that you inform us of any changes in your bank account, personal details or contact details. Please submit any changes by completing the relevant Hollard Investments Change of Details Form available on the Hollard Investments website and provide any required supporting documentation.

## 6. Instruction Processing

Please refer to the latest Investment Portfolio list for the processing times of each Investment Portfolio.

**Please note:** Instructions that have been submitted and confirmed as received by Hollard Investments cannot be cancelled or reversed.

### 6.1 Processing Timelines for daily trading Investment Portfolios

The Administrator is responsible for processing your instructions and will only do so once a complete and correct instruction is received along with any required supporting documentation.

The Administrator will make every effort to meet the timelines reflected in the below table once instructions which are complete and correct have been accepted for processing, subject to the turnaround times and liquidity constraints of the Manager.

Business cut-off: 12h00	Process the instruction	Buy or Sell Units	Unit Price received from the Manager	Investor Statement reflects instruction
Before cut-off (Business day 1)	Business day 1	Business day 2	Business day 2	Business day 3
After cut-off (Business day 2)	Business day 2	Business day 3	Business day 3	Business day 4

### 6.2 Processing timelines for non-daily trading Investment Portfolios

Processing timelines for Investment Portfolios which do not price and/or trade on a daily basis are subject to the turnaround times specified by the Manager in question. The Administrator will make every effort to meet these timelines once instructions which are complete and correct have been accepted for processing subject to the turnaround times and liquidity constraints of the Manager.

### 6.3 Bank interest

Bank interest earned in the designated Hollard Life bank account on deposits for your Investment Account will be added to the investment amount should the monies remain in the bank account for more than 24 hours. Interest will be added up until the day on which your investment is processed. No interest is payable to policyholders in relation to monies in transit during the processing of a switch instruction, provided that stipulated time standards are adhered to.

### 6.4 Withdrawals

Legislation requires that the proceeds of a withdrawal instruction may only be paid once all the Investment Portfolios included in the withdrawal instruction have settled and the proceeds paid to Hollard Life, after which one payment will be made to the policyholder. Interest will be added to any monies held in the Hollard Life bank account awaiting payment.

No monies may be withdrawn if the funds in respect of investments have not been cleared.

No monies may be withdrawn if the funds in respect of investments and debit orders have not been cleared. Debit orders can only be disinvested after 45 days and cheque deposits after 10 days.

### 6.5 Switching between daily trading Investment Portfolios managed by the same Manager

A switch between Investment Portfolios at the same Manager will be processed according to the timelines above. You will receive the same day's unit price for both the sell and purchase portions of the transaction.

### 6.6 Switching between daily trading Investment Portfolios managed by different Managers

A switch between Investment Portfolios at different Managers entails a sale of units from the Investment Portfolio at your current Manager and a purchase of units in another Investment Portfolio or Portfolios at the new Manager. The purchase portion of your switch will only be initiated once the proceeds of the sale portion have been received from the Manager(s).

The Administrator will make every effort to meet the timelines reflected in the table below once instructions which are complete and correct have been accepted for processing.

Business cut-off: 12h00	Unit Price received from Manager (Sale)	Cash Received and Transferred to new Manager	Unit Price received from Manager (Purchase)	Investor Statement reflects instruction
Before cut-off (Business Day 1)	Unit price at close of Business Day 2	Business Day 4	Unit price at close of Business Day 4	Business Day 5
After cut-off (Business Day 2)	Unit price at close of Business Day 3	Business Day 5	Unit price at close of Business Day 5	Business Day 6

#### 6.7 Processing order of multiple instructions

Should The Administrator receive an instruction while another instruction is in progress, the second instruction may be delayed until such time that the first instruction is complete.

## 7. Responsibilities of Hollard Life as the Administrator

### 7.1 Act with honesty and integrity

We will act with due care, diligence, honesty, fairness, and integrity in all dealings with you.

### 7.2 Accept, suspend, delay or reject your instructions

The Administrator may accept, suspend, delay, or reject your application or any subsequent instructions. A transaction may also be reversed if The Administrator believes the circumstances substantiate it.

### 7.3 Communicate with you

We will communicate with you to provide you with important information. This includes the following:

- Confirmation of your investment application.
- Confirmation of changes made on your investment.
- Quarterly investment statements.
- Notices on events that affect your investment.

We will send all communications to you via email unless specifically requested by you to send all communications by post. You may also contact your Financial Advisor to request this information.

### 7.4 Close an Investment Portfolio

Hollard Life or the Manager is entitled to close an Investment Portfolio at any time. Should policyholders be required to disinvest from the Investment Portfolio, you will be requested to select an alternative Investment Portfolio. The Administrator may switch your investment into a default Investment Portfolio should no response be received from you by the specified deadline date.

### 7.5 Maintain professional and fidelity insurance

Hollard Life and the Investment Manager are insured against negligent or dishonest behaviour and fraud.

## 8. Fees and Charges

### 8.1 Initial Administration Fee

No initial administration fee is charged.

### 8.2 Initial Management Fee

Certain Managers may charge an initial fee on your selected Investment Portfolios within your Investment Account. These fees will be charged when you invest into the Investment Portfolio or when you switch into the Investment Portfolio.

### 8.3 Financial Advisor Initial Fee

If you and your Financial Advisor agree to a Financial Advisor Initial Fee, as indicated in the application form or any other written communication accepted by The Administrator the agreed amount will be deducted from the investment before the investment is made. A maximum fee of 3% excluding VAT applies.

### 8.4 Annual Administration Fee

The annual administration fees applicable to your investment are disclosed on the investment quotation signed when investing in the Hollard Endowment Plan as well as the investor schedule issued to you.

A minimum annual administration fee of R115 applies per policy.

Fees owed will be deducted before the proceeds of a withdrawal or transfer instruction are paid out.

### 8.5 Annual Management Fee

Managers charge annual management fees, which are incorporated into the daily unit price of the Investment Portfolio. These fees vary across the range of Investment Portfolios as well as the class of Investment Portfolio, therefore the Investment Portfolio you choose will determine the fees which you are charged. All fees and charges applicable to your selected Investment Portfolios can be found in the Investment Portfolio list available on the Hollard Investments website.

### 8.6 Asset Swap Fee

Where an offshore Investment Portfolio is selected, a fee for the use of Hollard's foreign investment allowance will be levied by The Administrator as specified in the Investment Portfolio list and/or investment quotation against the monies invested in the Investment Portfolio. This charge will be priced into the unit price of the Investment Portfolio.

### 8.7 Capital Gains Tax Charge and Income Tax Charge

A tax recovery charge will be levied on the Investment Portfolios within the Hollard Endowment Plan. The recovery charge will be incurred whenever a taxable capital gains event takes place in the Investment Portfolio or taxable income is earned by the Investment Portfolio.

If you are invested in a local Collective Investment Scheme these charges will be deducted proportionately from the Investment Portfolios in your Investment Account, and will occur monthly in arrears when any one of the following events takes place:

- An income distribution (Income Tax charge).
- The disposal of units resulting in a capital gains tax event (CGT charge). Should more than 90% of Investment Account/Policy be withdrawn the CGT charge will be deducted immediately at not in the monthly fee run as discussed above.

If you are invested in a personal share portfolio, foreign collective investment scheme and/or a hedge fund, tax charges are incorporated into the unit price of the Investment Portfolio. Any capital gain from Investment Portfolios underlying a share portfolio or managed instrument cannot be offset against other Investment Portfolios that have a capital loss.



The tax charges applied are disclosed on the investment quotation and Investment Portfolio list and are subject to change. Policy proceeds are paid out net of tax to the policyholder.

#### **8.8 Dividend Tax**

The Hollard Endowment Plan is subject to dividend tax which is taxed in the hands of Hollard Life and not the policyholder. Any dividend tax incurred will be deducted from the local dividend portion of an income distribution before it is re-invested into the Investment Portfolio.

#### **8.9 Financial Advisor Annual Fee**

If you and your Financial Advisor agree to a Financial Advisor annual fee, as indicated in the application form or any other written communication accepted by The Administrator, we will deduct this fee and pay it over to your Financial Advisor. A maximum fee of 1% per annum excluding VAT applies.

The fee is deducted proportionally from the underlying Investment Portfolios within your Investment Account or deducted exclusively from your Expense Account if you have selected this option and there is sufficient balance in this account. For hedge Fund, share portfolio and offshore Investment Portfolios, 0.5% of the value of the pooled Investment Portfolio may be held in cash to facilitate the deduction of annual fees. This cash portion is incorporated into the daily unit price of the Investment Portfolio and as such will not reflect on your Investment Account.

Fees owed will be deducted before the proceeds of a withdrawal or transfer instruction are paid out.

#### **8.10 Portfolio Management fee**

The Investment Manager levies portfolio management fee on a Model Portfolio investment, as agreed in the Investment Manager discretionary client mandate agreement. Hollard Investments will deduct this fee and pay it to the Investment Manager. The fee is deducted proportionally from the underlying Investment Portfolios within your Investment Account or deducted exclusively from your Expense Account if you have selected this option and there is sufficient balance in this account.

For hedge Fund, share portfolio and offshore Investment Portfolios, 0.5% of the value of the pooled Investment Portfolio may be held in cash to facilitate the deduction of annual fees. This cash portion is incorporated into the daily unit price of the Investment Portfolio and as such will not reflect on your Investment Account. Portfolio management fees owed will be deducted before the proceeds of a withdrawal or transfer instruction are paid out, or when a full switch out of a Model Portfolio takes place.

#### **8.11 Switching Fee**

We do not charge any fees when you switch between Investment/Model Portfolios.

#### **8.12 Value Added Tax**

VAT will be added to the fees or charges on your investment where applicable.

#### **8.13 Reporting**

Your investment statement will show the fees that are charged on your investment, except for the annual management fees and asset swap fees mentioned above that are included in the unit price of the Investment Portfolios. You have an obligation to report any errors within 14 days of receiving your statement from us.

### **9. On the Death of the Investor**

If the policyholder is not the last surviving Life Assured specified for the policy, then the ownership of the policy will transfer to the specified Beneficiary for Ownership when the last surviving Life Assured passes away.

## 10. On the Death of the Last Surviving Life Assured

### 10.1 Events which trigger the payment of a death benefit

A death benefit will become due when the last surviving life assured listed for the policy passes away. A beneficiary shall have no interest or right in the policy until after the death of the last surviving Life Assured.

### 10.2 Parties who are entitled to a portion of the death benefit

The Administrator will allocate any benefit due to the nominated beneficiaries as specified in the policy. A beneficiary nomination shall be of no force or effect if the beneficiary predeceases the policyholder. Should there be no beneficiaries on record, any benefit will be paid to the deceased estate of the policyholder, in accordance with the requirements of the relevant legislation. The Administrator will not accept any amendments to your nominated beneficiaries after your death regardless of the date of signature on the nomination.

### 10.3 Death benefit

The death benefit is the value of your investment, less any applicable charges and fees, at the time of the processing of the death claim. Each beneficiary will be paid out their portion of the benefit in cash.

### 10.4 Death claim processing

The Administrator must be notified of your death in writing. The following information must be included in the notification:

- A certified copy of the deceased's ID document
- Personal details of the deceased, including identity number and age
- A certified copy of the death certificate
- The deceased's Investment Account numbers
- A certified copy of marriage certificate if the deceased was married in community of property or anti-nuptial contract with the accrual

## 11. Unclaimed Benefits

The following steps will be taken by The Administrator in order to trace the policyholder or the beneficiaries should the death benefit remain unclaimed:

- 11.1** The Administrator will trace the policyholder or beneficiaries within 6 months of the death benefit becoming payable and remain unpaid.
- 11.2** If the policyholder or beneficiary/ies cannot be traced as per 11.1, The Administrator will then repeat the tracing process once within a three-year period.
- 11.3** If the policyholder or beneficiary/ies cannot be traced as per 11.2, The Administrator will repeat the process within 10 years of the death benefit becoming due.
- 11.4** If, after 10 years, The Administrator cannot trace the beneficiary/ies or policyholder, an external tracing company will be used. This requirement will be waived if the assets are worth less than the minimum amount stipulated by legislation and the cost of tracing exceeds the amount payable.
- 11.5** If the policyholder or beneficiary/ies has not been located by the time they attain the age of 100 years, The Administrator will release assets from the reserve account backing the unclaimed assets. These assets will be invested in socially responsible initiatives that earn a reasonable commercial rate of return. At no point will the assets move on to the Hollard Life balance sheet and the policyholder, beneficiaries and their dependants will always have a claim on those funds.
- 11.6** It is the responsibility of the policyholder to ensure that all contact information is current and recorded by The Administrator.

- 11.7** Should the initial tracing process described in 11.4, prove unsuccessful, The Administrator may charge any reasonable direct, administrative, and tracing fees incurred as a result of a tracing process, on any unclaimed assets, thereby reducing the benefits payable.

## 12. The Privacy of Your Information

In order to provide investment products to you, we have to process your personal information. We will treat your personal information with caution and have put reasonable security measures in place to protect it. By signing the application for investment, you agree to the processing and sharing of your personal information.

We care about the privacy, security and online safety of your personal information and we take our responsibility to protect this information very seriously. Below is a summary of how we deal with your personal information. For a more detailed explanation, please read our official Privacy Notice on our website.

**Processing your personal information:** We must collect and process some of your personal information in order to provide you with our products and services, and also as required by insurance, tax and other legislation.

**Sharing your personal information:** We will share your personal information with other insurers, industry bodies, credit agencies and service providers. This includes information about your investment, withdrawals and premium payments. We do this to assess withdrawals, prevent fraud and to conduct surveys. If applicable, we may also share your personal information to trace you or your beneficiaries for any unclaimed benefits.

**Protecting your personal information:** We take every reasonable precaution to protect your personal information (including information about your activities) from theft, unauthorised access and disruption of services.

**Receiving marketing from us:** Please contact us on 0860 202 202 if you want to change your marketing preferences. Remember that even if you choose not to receive marketing from us, we will still send you communications about this product.

## 13. Anti- Money Laundering

- 13.1** We are required by anti-money laundering legislation to obtain specific information from you and certain related parties, to enable us to establish and verify your and related parties' identity.
- 13.2** Related parties include, but are not limited to, the owner of the policy, premium payer, a Beneficiary, and any other party associated with the policy where required.
- 13.3** You understand that different information will be required depending on the type of client and related party and we may require supporting documentation.
- 13.4** This requirement applies when we receive the application for investment, on an ongoing basis while the policy/investment is active and when a claim/withdrawal is made under the policy/investment.
- 13.5** You and related parties agree to co-operate fully with us and to provide us with all such information and documentation requested as soon as possible or within a timeframe that will be communicated to you.
- 13.6** You understand that if we do not receive the information and documentation requested from you or from a related party within a reasonable time, we may be unable to place your investment or pay a claim/withdrawal, and in terms of the anti-money laundering legislation we will be required to cancel your policy/investment, and any other existing policies/investments thereafter.
- 13.7** You consent to the processing of your personal information and to the disclosure of your personal information to any regulatory body, tax authority, or to comply with anti-money laundering legislation.
- 13.8** You consent to us conducting ongoing monitoring of your transactions and activities related to your business relationship with us, as required by anti-money laundering legislation, and understand that we are not required to disclose our monitoring activities to you.
- 13.9** If we are unable, for whatever reason, to conduct ongoing monitoring of your transactions and activities we may have to cancel your existing policies/investments.
- 13.10** We will therefore be unable to process a claim/withdrawal before the claimant has provided us with the required information and documents for us to establish and verify their identity.

## 14. Conflict of Interest

If you wish to access the Hollard Conflict of Interest Management Policy, please contact our Customer Care Team on 0860 202 202 or email [customercare@hollardinvestments.co.za](mailto:customercare@hollardinvestments.co.za)

## 15. Legislation which governs the Hollard Endowment Plan

The following are some of the main Acts and Regulations that govern your investment and the parties to this investment agreement. Amendments to or replacement of the legislation and directives issued by regulatory authorities may change the terms and conditions of your investment.

**The Long-term Insurance Act**

**The Insurance Act**

**The Collective Investments Schemes Control Act**

**The Financial Advisory and Intermediary Services Act**

**The Income Tax Act**

**Exchange Control Regulations**

**Protection of Personal Information Act**

**Financial Intelligence Centre Act**

## 16. Contact Details

<b>Email:</b>	<a href="mailto:customercare@hollardinvestments.co.za">customercare@hollardinvestments.co.za</a>
<b>Website:</b>	<a href="http://www.hollard.co.za">www.hollard.co.za</a>
<b>Physical Address:</b>	Hollard Villa Arcadia, 22 Oxford Road, Parktown, 2193
<b>Postal Address:</b>	PO Box 87419, Houghton, Johannesburg, 2041
<b>Hollard Compliance:</b>	<a href="mailto:compliance@hollard.co.za">compliance@hollard.co.za</a>
<b>Tel:</b>	0860 202 202 (If you are calling from within South Africa) +27 11 351 5000 (If you are calling from outside South Africa)
<b>Compliance Department email address:</b>	<a href="mailto:compliance@hollard.co.za">compliance@hollard.co.za</a>

Hollard is committed to “Creating and securing a better future” and therefore subscribes to an internal Anti-Fraud policy. Please report any suspicious or unethical activity anonymously on 0801 516 170 (toll free) or via email at [Hollard@tip-offs.com](mailto:Hollard@tip-offs.com)

## 17. Complaints

**17.1** If you have a complaint against any person with regard to this investment, you may lodge a written complaint together with supporting documents to The Administrator at the following address:

<b>Physical Address:</b>	Hollard Villa Arcadia, 22 Oxford Road, Parktown, 2193
<b>Postal Address:</b>	PO Box 87419, Houghton, Johannesburg, 2041
<b>Email:</b>	<a href="mailto:Customercare@hollardinvestments.co.za">Customercare@hollardinvestments.co.za</a>
<b>Tel:</b>	0860 202 202 (If you are calling from within South Africa) +27 11 351 5000 (If you are calling from outside South Africa)

**17.2** The Administrator shall, on receipt of such complaint:

- Carry out an investigation regarding the complaint.
- Provide all the parties involved with copies of the complaint and supporting documents.
- Instruct the parties involved to provide The Administrator, within seven (7) days, with a full written reply to the complaint.

**17.3** The Administrator may, after carrying out an investigation, and after informing the parties involved of the intentions to act and affording them a reasonable opportunity to respond thereto:



- a) By written notice, require any party involved to take corrective steps which will be appropriate under the circumstances; and
- b) The Administrator may take any steps available to them in law, to address the complaint.

**17.4** Where you are not satisfied with the decision reached by The Administrator, you have the right to submit the complaint to the Long-term Insurance Ombudsman, whose particulars are as follows:

**Postal Address:** Private Bag 45, Claremont, 7735  
**Telephone:** (021) 657 5000  
**Share call:** 0860 103 236  
**Fax:** (021) 674 0951

**17.5** If you have a dispute about the advice given in respect of this product, you may contact the Ombud for Financial Services Providers, whose particulars are as follows:

**Postal Address:** PO Box 74571, Lynwood Ridge, 0040  
**E-mail:** [info@faisombud.co.za](mailto:info@faisombud.co.za)

**17.6** The Ombudsman and Ombud are legally empowered to investigate and adjudicate complaints in a procedurally fair economical and expeditious manner.