



# Hollard Fund Endowment Simply Put

An investment solution for individuals and trusts looking for a tax efficient way to save.

## KEY FEATURES and benefits

- Enjoy improved after tax returns: Hollard Life is currently able to reduce the effective tax rate during the restricted period of the policy, by using a portion of its available tax loss, thereby improving after tax returns for policyholders. Taxes are levied in the form of a charge within the policy and proceeds are paid out net of tax to the investor.\*
- Simplified Investment Offering - choose to invest into one, or a combination of the 8 Hollard Prime Unit Trust Funds offered.
- The product is ideal for estate planning because:
  - › It is typically exempt from executor's fees if beneficiaries are nominated to receive the proceeds on death of the last surviving life assured.
  - › Death benefits are paid directly to nominated beneficiaries.
  - › The lives of additional persons can be assured on the policy, the effect of which is that death benefits will only be paid to beneficiaries on the death of the last surviving life assured. This can be a useful feature for a couple wanting to ensure a pay-out to their children in the event of them both passing away.
- You are permitted by law to only take one withdrawal from the policy during the first five years since its inception. Only after the 5 (five) year restricted period are withdrawals unlimited.
- To help give your investment a head start, no upfront administration fees are charged by Hollard.

## EXAMPLE OF THE HOLLARD LINKED ENDOWMENT tax advantage\*\*

R 1 000 000 5 year investment		
Scenario A	Scenario B	Scenario C
Direct investment (i.e. not via an endowment policy), at an admin charge of 0.50%	Standard Endowment with the following tax charges (12% CGT, 30% Income, 20% Dividends Tax), and an admin charge of 0.50%	Hollard Linked Endowment tax rates when investing in Hollard Prime Unit Trust Funds (0% CGT, 0% Income, 20% Dividend Tax), and an admin charge of 0.50%
<p><b>Policy Value after 5 years if sold:</b></p> <p><b>Individuals:</b> R1 461 420</p> <p><b>Trusts:</b> R1 405 829</p>	<p><b>Policy Value after 5 years if sold: R1 471 432</b></p> <p><b>Individuals:</b> 1% higher return vs. Direct</p> <p><b>Trusts:</b> 4.7% higher return vs. Direct</p>	<p><b>Policy Value after 5 years: R1 656 335</b></p> <p><b>Individuals:</b> 13.34% higher return vs. Direct</p> <p><b>Trusts:</b> 17.82% higher return vs. Direct</p>

\* The Hollard Fund Endowment is subject to taxation according to the "Five Funds" tax method applicable to South African Long Term insurers, according to section 29A of the Income Tax Act of 1962. This advertisement does not constitute tax, legal or accounting advice. Potential investors should seek their own legal and tax advice where required.

\*\* Invested by an Individual investor or a Trust with a 45% marginal tax rate into the same balanced portfolio over a 5 year period with a 0.0% initial fee. No financial advisor fees have been included. The diagram is intended to illustrate the advantage of holding investments within the Hollard Fund Endowment and is provided for illustrative purposes only. Any tax exemptions that may be enjoyed by an investor have not been taken into account.

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## How do I INVEST?

- The minimum investment amount is R100 000 per policy.
- Any individual or trust with natural person beneficiaries may invest.
- Please note that legislation limits additional contributions into an existing policy 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 restriction period will apply.
- Download an application form and investment portfolio list from the Hollard website [www.hollard.co.za](http://www.hollard.co.za), or ask your Financial Advisor.

## HOW MUCH does it cost?

The following portfolio management annual fees apply:

Unit Trust Fund Name	JSE Code	Annual Management Fee (Excl. VAT)
Hollard Prime Money Market Fund B	HPMMF	0.30%
Hollard Prime Yield Plus Fund B	HPYPF	0.50%
Hollard Prime Dynamic Income Fund B	HPDIF	0.70%
Hollard Prime Property Fund B	HPPFC	1.00%
Hollard Prime Equity Fund B	HPEFB	0.90%
Hollard Prime Strategic Defensive Fund B	HPSDF	1.20%
Hollard Prime Strategic Balanced Fund B	HPSBF	1.20%
Hollard Prime Strategic Assertive Fund B	HPSAF	1.20%

The fees detailed in the table above are included in the published Net Asset Value (NAV)/Unit Price of the Portfolio.

- Hollard initial administration fee: 0.00%.
- Hollard annual administration fee: 0.50%.
- An Income Tax Recovery Charge of 0% and a Capital Gains Tax Recovery Charge of 0% applies for the first 5 years of the policy. Dividends Withholding Tax (DWT) of 20% applies to a local dividend earned in an Investment Portfolio.
- Your Financial Advisor may charge you an initial and ongoing fee. These fees are negotiable between yourself and your Advisor. A maximum of 3% excluding VAT applies for financial advisor initial fees, and a maximum of 1% per annum excluding VAT applies for financial advisor ongoing fees.

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