

WHAT IS THE LIFECYCLE LIFE DEFINED GROWTH INVESTMENT POLICY?

The policy is a long-term, investment-linked life endowment policy designed to help you invest in your future financial well-being. If you are comfortable with a minimum five-year investment term, require a predictable return, want a tax-efficient way to grow your savings, and seek liquidity outside of your estate, this policy might be a good fit for you.

KEY FEATURES

- Invest for a fixed term of five years
- Have the comfort of having your capital invested securely
- Enjoy tax efficiency and estate planning benefits
- Receive a lump sum payout at the end of the term

HOW IT WORKS

- This policy has a **fixed five-year term**.
- There is a **minimum investment requirement of R100,000** lump sum contribution.
- **No additional contributions** are allowed, but you can invest in additional policies.
- **Only natural persons or special trusts** can be nominated as beneficiaries.

WHERE THE CONTRIBUTION IS INVESTED

- We invest your contribution into a King Price Life investment policy, which has a low-risk profile, for a period of 5 years.
- The investment risk is limited, with exposure to King Price, the largest banking institutions in South Africa, international banks with a minimum credit rating of A, and South African government bonds, only.



King Price[™]
INSURANCE
Licensed life insurer | FSP no. 47235

ACCESS TO THE INVESTMENT

During the five-year restriction period you can make **one withdrawal**. The maximum amount is the lesser of:

- Your lump sum contribution plus 5% compound interest per annum, or
- The market value of your investment account minus fees and taxes (if applicable)

Note that an early withdrawal can result in a reduction in the value of your policy because of changes in market conditions so it is recommended that you get financial advice before making this decision.

TAXES ON THE POLICY

The policy benefits are not taxable in your hands. Any tax that may be due by LifeCycle Life in respect of the policy is deducted and paid to SARS.

AT MATURITY

You can choose to receive your policy benefit payout in cash or reinvest into a new five-year policy.

ON DEATH

- You must **nominate beneficiaries** who will receive the policy proceeds upon your passing.
- The policy is **not included in your estate**, meaning that your beneficiaries get paid directly, thus avoiding delays and saving on executor fees.

SECURITY

The policy cannot be ceded as security to a security cessionary.

TRANSFER OF THIS POLICY

LOANS AGAINST THIS POLICY

Loans are **not** allowed, but you can make one withdrawal.

- Ownership of the policy may be transferred to another natural person or special trust by outright cession.
- The policy cannot be transferred to another insurer or merged with another endowment policy.

COSTS OF THIS POLICY

- You pay an upfront policy fee of 2.35% (incl. VAT) of your lump sum contribution. There is no ongoing policy fee payable.
- You also pay an upfront advice fee to your financial advisor. You can negotiate this fee, which is capped at 2.00% (excl. VAT), with your financial advisor if you decide to request a quote from us.
- *Note that if you take a once-off withdrawal the upfront fees described above will not be refundable.*

INVESTING INTO THIS POLICY

- Ask your financial advisor to request a quote from the LifeCycle website (<https://thelifecycle.co.za>).
- If you are happy with the quote, then complete the application form.
- Gather your supporting documents:
 - ID (passport, driver's license, or valid photo ID)
 - Proof of residence (utility bill, bank statement, etc.)
 - Proof of banking details
 - Confirmation of your income tax number
- Send your application and documents to LifeCycle Life at lifecycle@thecycle.co.za.
- Pay across your upfront contribution.
- Example:
 - You invest R100,000 and agree a 2.00% (excl. VAT) upfront advice fee for your financial advisor.
 - The upfront policy fee of R2,350 and the upfront advice fee of R2,300 are deducted from the R100,000 contribution and the balance of R95,350 is invested.
 - The rate that is disclosed in your quotation is the return that you will receive on the R100,000 that you contributed to the policy; for this example, let's assume that the rate you were quoted was 6.00%.
 - It is normal that your investment will fluctuate in value from month to month throughout the 5-year restriction period, but if you hold the policy to maturity you can expect to receive a policy benefit of R130,000 at the end of the 5-year term*.
 - During the 5-year term no fees or any other expenses are deducted as all fees have been taken upfront.

AFTER SUCCESSFUL APPLICATION

- You receive a welcome letter and policy document.
- You get online access to monitor your investment and a user guide to help you use the system.
- You receive regular statements.

HELP

- Contact your financial advisor, or
- Email us at: lifecycle@thecycle.co.za

DISCLAIMER

The policy is issued by LifeCycle Life Limited (2005/006996/06), ("LifeCycle Life"), a licensed long-term insurer in terms of the Insurance Act, 18 of 2017 ("Insurance Act"). The policy is administered by D and D the Cycle Proprietary Limited (2013/157477/07), ("the Administrator"), an authorised financial services provider (FSP no: 45863) in terms of the Financial Advisory and Intermediary Services Act, 37 of 2002 ("FAIS"). The policy provides you with exposure to an underlying financial instrument which is a long-term market-related sinking fund policy issued by King Price Life Insurance Limited, ("King Price Life"), a licensed long-term insurer in terms of the Insurance Act, and an authorised financial services provider (FSP no: 47235) in terms of FAIS.

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* This projected value assumes that there are no credit losses in the underlying investments.