

## Why the Guaranteed Income Plan could be right for you

*It could be right for you if you want:*

- *to invest for five years and earn an income from the investment;*
- *a stable monthly income; and*
- *all your capital back at the end of five years.*

### Capital guarantee

We invest the money at a rate that will give you a maturity value equal to your initial investment.

Nedbank provides the guarantee for the capital invested.

### Secure fixed income

We will pay you a fixed income in advance every month for five years (60 months) or until your death (if you die during the term).

The income is based on the rate determined at inception.

### Competitive rates

We offer highly competitive tiered rates – the more you invest, the better the growth rate. The annuity rate is fixed and remains the same throughout the term.

### Tax efficiency

You do not have to worry about paying income tax, as we will pay it on your behalf during the term of the investment.<sup>1</sup>

Your capital will be paid to you tax-free.<sup>2</sup>

<sup>1</sup> The capital portion of the annuity is tax-free. You will pay tax on the interest earned, subject to the exemptions applicable at the time.

<sup>2</sup> Income tax is charged at 30% on the interest earned on the endowment policy.

## How to invest in the Guaranteed Income Plan

Speak to your financial planner about your investment needs.

Choose the Guaranteed Income Plan if it is the appropriate solution for you. Your financial planner will help you.

## How to contact us

If you require more information on this or any of our other products and services, please call 0861 238 887 to talk to a Nedbank financial planner.

[nedbankinsurance.co.za](http://nedbankinsurance.co.za)

This product is underwritten by Nedgroup Life.

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SECURE INVESTMENTS

## GUARANTEED INCOME PLAN

*Nobody invests to lose money*

MAKE  
THINGS  
HAPPEN



SECURE INVESTMENTS

Nobody invests to lose money

# GUARANTEED INCOME PLAN

During times of economic uncertainty it can be difficult to choose the right investment plan, especially if you are torn between the fear of earning a reduced income in future if the interest rates go down, and the fear of losing out if they increase. Making sound investment decisions under these conditions can be difficult.

So how do you decide which investment is right for you?

Understanding the level of risk that you are comfortable with and knowing your investment objectives empower you to make the right investment decisions.

At Nedbank Insurance we understand your need to earn a reasonable income from your investments without compromising your capital, which is why we developed the Guaranteed Income Plan.

Our Guaranteed Income Plan offers you the best of both worlds: a fixed income and capital protection.

With the Guaranteed Income Plan your capital will be protected from market fluctuation risks. You can also be assured of the safety of your capital because Nedbank Capital manages the underlying assets of your investment.

## How it works

This plan is made up of a single-premium endowment policy that provides the payout of the initial investment at maturity and a term-certain annuity policy that pays a level monthly income.

A portion of your initial investment will be used to purchase the endowment policy, and the remainder will be used to purchase the annuity. The portion used to purchase the endowment is referred to as the ‘endowment premium’.

## Who can invest in this plan?

This plan is available to individuals between the ages of 18 and 85 years next birthday. Only natural persons may invest in the Guaranteed Income Plan. Only natural persons may invest in the Guaranteed Income Plan.

## Some important details about the plan

### What is the minimum investment amount?

You can invest a minimum of R50 000.

### How long will the money be invested for?

Your money will be invested for five years.

### Can additional investments be made?

You may not make additional investments on this plan because the income rate is set at inception. However, you can take out a new plan, subject to the minimum investment amount.

### Can money be withdrawn before the end of the policy term?

You may take one part or full surrender on the endowment policy before the end of the term. Your annuity policy will continue until the end of the term.

### Can a loan be taken against this plan?

You may not take a loan on this plan. However, you can use the surrender options mentioned above.

### Can the investment be ceded for collateral?

You may cede the plan as collateral for a loan. You may also cede the plan as an outright cession. An outright cession will transfer full ownership to another person.

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### What happens if the policy owner dies during the policy term?

Should you die during the term of the policy, the following benefits will be payable:

- under the endowment policy, the value of the death benefit which is equal to the higher of the endowment premium and the surrender value of the endowment policy; and
- under the term-certain annuity, the value of the death benefit, which is equal to the realisable value of the annuity policy at the date of death. The realisable value is calculated using prevailing market rates and is not guaranteed. No further income will be payable under this policy.

Where only one beneficiary is nominated, and that beneficiary is a natural person, the beneficiary may choose to take ownership of the policy rather than receive the proceeds in the event of a claim.

Where a only one beneficiary is selected, the beneficiary may choose to continue with the plan instead of receiving the death benefit payout.

### What other costs are related to this plan?

Commission	The maximum commission payable is 3% on a single-premium endowment and 1,5% on an annuity (both excluding VAT).
Administration fee	Nil
Asset management fee	Nil

### Cooling-off period

There is no cooling-off period, but the application may be withdrawn before the date of acceptance. Cancellations after the date of acceptance will be treated as normal surrenders.

### Special conditions

The terms are set when all requirements in terms of the Financial Intelligence Centre Act (FICA) have been met. Call interest, which is added from the date of deposit until the plan’s commencement date, enhances the income you will receive.

### How our rates work

Nedbank Insurance’s Guaranteed Income Plan consistently adds value for our clients by offering them competitive guaranteed income rates. The terms are determined at inception and remain unchanged for the full five-year term. We review and publish our rates for the Guaranteed Income Plan weekly. Rates are announced every Monday for Tuesday. If a public holiday falls on a Monday or Tuesday, the new rate will apply on the next working day.

Four tiers are used for the Guaranteed Income Plan:	
Tier	Capital invested
1	R50 000 to R99 999
2	R100 000 to R499 999
3	R500 000 to R999 999
4	> R999 999

### Asset manager

Nedbank Corporate and Investment Banking (CIB) is the asset manager and provides specialist advice, debt and equity raising and execution, as well as trading capabilities, for clients in all major South African business sectors. Clients include the top 200 domestic corporates, parastatals, financial institutions, multinational corporates and major infrastructure and mining projects in Africa, as well as emerging black economic empowerment consortiums.

### Capital guarantee

Nedbank Limited provides the capital guarantee. Nedbank Group Limited is a bank holding company, its principal banking subsidiary being Nedbank Limited. The company’s ordinary shares have been listed on the JSE since 1969 and on the Namibian Stock Exchange since 2007. Nedbank Group is South Africa’s fourth-largest banking group measured by assets and has a strong deposit franchise, as well as the second-largest retail deposit base.

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