



FIXED OUTCOME ENDOWMENT

POLICY DOCUMENT



In association with





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1 DEFINITIONS

- **Absa** means Absa Bank Limited

- **Absa structured deposit** means a 5 year fixed rate deposit with a Maturity date of five years from the Date of initiation. The deposit will be held in the name of OUTsurance Life for the benefit of the Policyholder. The interest rate or fixed rate is determined by Absa and changes on a weekly basis.

- **Financial Adviser** means your adviser which has entered into an Intermediary Agreement with the Insurer for the distribution of this Investment policy.

- **Investment contribution** means a single, upfront premium payable at the outset of the Investment policy.

- **Insurer** means OUTsurance Life Insurance Company Limited, Registration Number 2007/035347/06 under which this Investment policy is issued. Any underlying product forming part of this Investment policy belongs to the Insurer who will in return provide you with Policy benefits.

- **Administrator** means OUTvest (Pty) Ltd.

- **Beneficiary** means a Beneficiary for proceeds who is a natural person, nominated by the Policyholder to receive the Policy benefits after the Policyholder's death. The Policyholder may nominate one or more Beneficiaries.

- **Business day** means any day apart from a Saturday, Sunday, or an official South African public holiday.

- **Date of initiation** means the day the Insurer successfully deposits your Investment contribution with Absa.

- **Force majeure** means any unforeseeable circumstances beyond the Insurers control including but not limited to any act of God, strike, riot, insurrection or other civil disorder, public enemy, war or military operations, fire, explosion, any court order etc.

- **Investment policy** means this Fixed OUTcome Endowment Policy issued by the Insurer as a Linked endowment policy.

- **Life assured** means the person whose life is tied to this Investment policy. Should the Life assured die the investment policy will end. For the purpose of this Investment policy the Policyholder will also be the Life assured.

- **Linked endowment policy** means a linked policy where the value of the policy benefits is not guaranteed by the long-term insurer and solely determined by reference to the value of particular assets or categories of assets, in this case the Absa Structured Deposit, held by the Insurer.

- **Market value** means the total value of your Investment policy at a given point in time taking into account your Investment contribution, changes in market interest rates in respect of the Absa structured deposit less any fees and/or charges specified in the Investment policy.

- **Maturity date** means the date on which the Investment policy matures and is available for withdrawal or re-investment as provided for in terms of this Investment policy. The Maturity date is a predetermined 5 year period calculated from the Date of initiation.

- **Maturity value** means the value of your Investment policy on the Maturity date taking into account your Investment contribution and quoted interest rate, in respect of the Absa structured deposit.

- **Online profile** means your OUTvest account created for this Investment policy.

- **Outright Cession** means a transfer of ownership. This means that the person to whom the Investment policy is ceded becomes the new Policyholder. The new Policyholder acquires all rights in terms of the Investment policy, including the right to claim all proceeds under the Investment policy.

- **Policyholder** means the person who legally owns the Investment policy – also referred to as “you” or “your”.

- **Policy benefit(s)** means the amount payable to the Policyholder by the Insurer on the Maturity date of the Investment policy, death of the Policyholder, or in terms of an earlier withdrawal in full or partial.

- **Restriction period** means a 5 year period from the Date of initiation within which contributions and withdrawals are restricted.

- **Security Cession** means an agreement where you cede the Investment policy as a security for an obligation to a Security Cessionary.

- **Security Cessionary** means the person who is entitled to the Policy benefits after you cede your rights afforded to you in terms of this Investment policy. This person only holds a security against the Investment policy and does not become the Policyholder.



2 WHAT DOCUMENTS CONSTITUTE YOUR AGREEMENT WITH THE INSURER?

The signed quotation and this Investment policy, including any supporting documents form the basis for the agreement between the Insurer and yourself.

3 OVERVIEW OF YOUR INVESTMENT POLICY

3.1 The different parties involved in this Investment policy are:

- You the Policyholder/Life assured;
- Your Beneficiaries (if any);
- The Administrator
- Financial Adviser;
- The Insurer (OUTsurace Life Insurance Company Limited);
- Absa Bank Limited.

3.2 What is the Fixed OUTcome Endowment Policy?

The Fixed OUTcome Endowment Policy is a single premium Linked endowment policy issued by the Insurer within the framework of the Long-Term Insurance Act 52 of 1998 and Insurance Act 18 of 2017 in terms of which an Investment contribution (or premium) is payable by the Policyholder in return for Policy benefits. The value of this Investment policy is not guaranteed by the Insurer and solely determined by reference to the value of particular assets or categories of assets, in this case the fixed deposit provided by Absa. This Investment policy has a 5 year restriction period, which means you need to stay invested for a period of 5 years. If you withdraw early, there are circumstances where you could end up with less than you invested.

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- **So how does it work?** The start date of your Investment policy will be the date on which the Insurer successfully deposits your Investment contribution with Absa. This can only be done once your Investment contribution has cleared in the Insurer's account and you have been approved by the Administrator prior to the indicated cut-off times provided in your quote. The Investment policy has a fixed termination date and will end on the Maturity date.
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3.3 Are there any risks involved?

Like any investment there is always some degree of risks involved. Absa provides the Investment guarantees under this policy, provided the Investment policy is held for the full five years. The investment performance is directly linked to the market performance of the investment. You are subject to credit, investment and market risk of both OUTsurance Life and Absa. Should Absa Bank and or OUTsurance Life default in any way and not be able to fulfil their obligations towards you, you may not receive the full value of the Investment policy. You acknowledge that OUTvest as the Administrator does not guarantee the performance of the investments in the Investment policy nor the ability of Absa or OUTsurance Life to honour amounts payable to you under the Investment policy. As such you also acknowledge that Absa, its affiliates and subsidiaries and OUTsurance Life are not liable to you for any damages, losses, claims or expenses resulting therefrom.

3.4 What happens on the Maturity date?

On the Maturity date the Maturity value of your Investment policy becomes payable by Absa to the Insurer. You will receive a notification by the Administrator and will have the following options at the Maturity date:

1. To withdraw your Policy benefits; and/or
2. To reinvest your Maturity value into any one of the available products offered by the Administrator and/or the Insurer.

If you do not provide the Administrator with any instructions as set out above at the Maturity date, your Policy benefits will be transferred into a money market investment fund or similar fund until you provide the Administrator with your instructions.

3.5 What happens to your investment if you die before the Maturity date?

If you die before the Maturity date the Policy benefits will be paid to your nominated Beneficiaries. If no Beneficiaries are nominated and no Security Cessionary is noted on the Investment policy, the Administrator will proceed to action on the instructions from the executor of your deceased estate.

The Policy benefits to be paid to the Beneficiaries will be calculated in terms of the Market value of your Investment policy.

In the event of your death the Administrator must be informed as soon as possible and may require certain information to be provided, for example:

- Your personal details;
- Your identity number;
- A certified copy of your death certificate;
- Your Investment policy number; and/or
- Any Information relevant to verify the identities of the Beneficiaries on record at the time of your death.

The rights of a Security Cessionary have preference over any rights of a nominated Beneficiary, as long as the Security Cession is noted by the Administrator.

3.6 What if I need to withdraw early from my investment?

By law you are only allowed one partial or full withdrawal from your investment policy after inception of the policy during the 5 year investment period called the restriction period.

The maximum amount you may withdraw during the restriction period (Restricted amount) is limited and will be the lower of the Market value of your Investment policy, or the Investment contribution plus 5% compound interest per annum as per legislation.

Any remaining balance of more than R10 000.00 (Ten Thousand Rand) must stay invested until the Maturity date.

If the remaining balance after a withdrawal is less than R10 000.00 (Ten Thousand Rand) we will consider it to be a full withdrawal, and will also pay the remaining balance.

Please note that any early withdrawal will have an impact on your Maturity value. If you withdraw the full amount invested your Investment policy will end.

4 YOUR RIGHTS AND RESPONSIBILITIES

4.1 Provide complete and accurate information

You need to ensure that all the information, including any supporting documentation, is accurate, clear and complete. Please make sure that you read and understand all the terms and conditions applicable to your Investment policy.

4.2 Keeping your information up to date

It is important to ensure that your personal information such as banking, contact details including information about Beneficiaries and any Security Cessionary is kept up to date at all times.

4.3 Keeping your login information secure

The username and password to log into your online profile or to access information about your Investment policy must remain secure and may not be shared. The Administrator will not take any responsibility for direct or indirect damages, or other related consequences as a result of unauthorised access of your information.

4.4 Send instructions to the Administrator

All instructions to the Insurer must be made electronically via the Administrator's website (www.outvest.co.za) or the OUTvest app through your or your Financial adviser's secure profile or our call centre telephonically. We may request written instructions in certain circumstances.

4.5 Pay the Investment contribution

You need to ensure that you pay the Investment contribution before the end of the offer period stipulated on your quotation document. You can only contribute to this Investment policy by way of Electronic Funds Transfer or a Debit Order Authorisation. No cash payments will be accepted.

4.6 Cede your policy

You have the right to cede your Investment policy as a Security Cession. No Outright Cessions will be allowed.

The Administrator must be informed and provided with any required documentation and information necessary to note a Security Cession. Only once all the required and/or necessary information has been received will the Administrator acknowledge the Security Cession.

It is your responsibility to inform us once the debt in which your policy was ceded as security has become paid up in order for the Security Cession noted to be removed.

4.7 Choosing Beneficiaries

You have the right to nominate Beneficiaries. If you have nominated more than one Beneficiary then the Policy benefits will be shared equally between those persons nominated unless you specify otherwise.

You will be required to provide sufficient details to the Administrator to allow us to confirm the identity of the Beneficiaries. These details will include the name, surname, identity number and contact details.

A Beneficiary nomination will lapse if the Investment policy is ceded outright or surrendered in full. You or your Financial adviser have the ability to change details of your Beneficiaries at any time at www.outvest.co.za by logging into your online profile.

4.8 Cooling-off Period

You have the right to cancel this Investment policy within 31 days of receipt of your policy documents. OUTvest and OUTsurance Life will refund all charges and fees deducted from your Investment policy. If we have already invested your contribution Absa may charge a fee to redeem your portion of the Absa structured deposit early in addition to the change in the value of your investment as a result of a change in market interest rates.

4.9 Report any Policy or statement errors

Please report any errors on your policy documents or statements within 31 days after receipt thereof to the Administrator.



5 THE INSURER'S RESPONSIBILITIES

5.1 Provide you with Policy benefits

The Insurer will provide you with Policy benefits, in terms of this Investment policy, in South African Rand paid by electronic fund transfer only. Policy benefits can only be paid into a South African bank account registered in the name of the Policyholder or nominated Beneficiary entitled to receive the Policy benefit. No payments will be made to a third-party bank account.

5.2 Tax

The Policy benefits will be free of tax in your name. The Insurer is liable and subject to tax on the returns accrued to your Investment policy. The Insurer has built up an assessed tax loss asset which may be utilised to offset the tax incurred by the returns of the Investment policy, producing a higher after tax return for you.

6 THE ADMINISTRATOR'S RESPONSIBILITIES

6.1 To make the Investment policy available

The Administrator has been appointed by the Insurer to make the Investment policy available to Policyholders through its administrative system. The Administrator shall not provide advice on the Investment Policy. It is the responsibility of your Financial adviser to provide you with the necessary advice on the Investment policy.

6.2 Administering payments

The Administrator is responsible to administer your Investment contribution paid to the Insurer as well as the payments of your Policy benefits to you as the Policyholder or your nominated Beneficiary.

6.3 Processing your instructions

The Administrator will process your or your Financial adviser's instructions on behalf of the Insurer. You consent that the Administrator may implement all instructions received through your online profile via the OUTvest website, the OUTvest app, or call centre telephonically. Any instructions provided through your online profile will be deemed to be provided by the Policyholder or the Policyholders Financial adviser.

Instructions will only be processed upon all the necessary information being completed and provided by you. Instructions will be processed at the earliest possible opportunity subject to our administration procedures or any time limitations. We do not accept any responsibility for delays in processing instructions as a result of events out of our control or a Force majeure.

The Administrator may accept or reject your application or any subsequent instructions. Should the circumstances justify it, we may reverse any transaction.

6.4 Communicate with you

All communications to and from the Insurer must be communicated through the Administrator's online platform. The Administrator is responsible to:

- Provide you with your policy documents and information about your Investment policy;
- Advise if your application has been approved or not or if there is any outstanding information or additional information or documentation needed to finalise or approve your Investment policy;
- Advise you of any changes or variation of fees and charges payable;
- Advise of changes made to the Investment policy by the Insurer; and/or
- Provide you with the necessary statements to your Investment policy.

All information provided to us shall be accessible by your Financial adviser until such time as you instruct us otherwise.

6.5 The Administrator processing timelines

- ***New policy application*** Any new applications will be processed only after the Administrator has received your duly completed and signed application, completed the due diligence process and your Investment contribution reflects in the Insurers bank account. Please note that electronic fund payments may take up to 2 (two) Business days from date of payment before it may reflect in the Insurers bank account.
- ***Early withdrawal*** An early withdrawal instruction will be processed within 1 working day after complete instructions has been received by the Administrator. Payment of the Market value or the Restricted amount to your bank account will be made within 7 (seven) Business days after processing of your instruction, subject to the Insurer receiving payment from Absa within these timelines.
- ***Cessions*** will be processed by the Administrator within 1 working day after receipt of your instructions and duly signed Security Cession.
- ***Payment of Policy benefits*** Payment of your Policy benefits on or after the Maturity date will be made within 7 (seven) business days after receipt and processing of your instructions, subject to the Insurer receiving the Maturity value from Absa within these timelines.



7 GENERAL

7.1 Client communication

Please note that we do not offer physical postage of any statements or documents. We communicate through electronic and call centre channels provided by the Administrator. All our call centre representatives are duly trained and qualified to assist you with any queries. All our telephonic calls to and from our call centre are recorded and will be made available to you upon request. We will only communicate with you or on your instruction with your nominated Financial adviser.

7.2 FICA

The Insurer and Administrator are obliged, in terms of the Financial Intelligence Centre Act 38 of 2001 ("FICA"), to verify and screen your details as provided in your application. Should it be necessary, we may be obliged to request further information from you.

In certain instances this may result in us not being able to conduct business with you, or may in the event of a valid contract being in place, result in us having to terminate our relationship.

In the event we have to terminate our relationship as a result of our obligations in terms of FICA, we will not be liable for any damages or losses whatsoever.

7.3 Professional indemnity and fidelity insurance cover

The Insurer and the Administrator have Professional Indemnity and Fidelity Insurance and accepts responsibility for the financial services (if any) it provides as well as the financial services (if any) provided by its representatives, acting in the course and scope of their employment.

7.4 Fees

We have quoted all fees as inclusive of VAT and a full breakdown of your fees are contained in the quote that you signed electronically. Please see below for more information of the different fees for this Investment Policy:

- **7.4.1 Advice fee** Your Financial adviser charges an upfront advice fee for the provision advice. This service helps to establish whether or not this Investment Policy is right

for you. There is no ongoing advice fee payable for this service. This fee is deducted from your Investment contribution before it is invested and paid by the Insurer to the Financial adviser.

- **7.4.2 Administration fee** The administration fee is an annual charge for commission payable to OUTvest that is taken upfront to cover the upfront and ongoing administration of the product.
- **7.4.3 Fixed OUTcome Endowment Policy Charge** The Insurer has built up an assessed tax loss asset which will be utilised to offset the tax incurred by the endowment returns, producing a higher after tax return for you. For the opportunity to access these improved returns the Insurer will charge a fee known as the Fixed OUTcome Endowment Policy Charge.

7.5 Maintenance of Records

We will maintain records of the financial products owned by you as well as any electronic and telephonic transactions furnished by you or your Financial adviser for an indefinite period.

7.6 Amendment of terms and conditions

The Insurer reserves the right to amend the terms and conditions including fees and/or charges at any time. In the event we elect to amend the terms and conditions we will provide you and your Financial adviser with 31 days written notice to that effect.

7.7 Termination

The Insurer reserves the right to terminate this Investment Policy by giving you 31 days written notice.

Your Investment Policy will at all times be subject to the latest terms and conditions which can be accessed at all times on www.outvest.co.za.

7.8 Some restrictions

- **7.7.1 Switching of products** You cannot switch this Investment policy with another product or investment offered by the Administrator until the end of the restriction period. You can only make an early withdrawal as provided for in terms of this Investment policy.
- **7.7.2 One Life Assured** You, as the Policyholder are automatically nominated as the Life assured. You cannot nominate any other person as a Life assured for the purpose of this Investment policy.
- **7.7.3 Policy contributions** We only accept a single Investment contribution to be made at the outset of this policy. If you wish to make further investment contributions then you will be required to open a new Investment policy.

7.9 South African legislation governing the provision of this product and services

- The Long term Insurance Act 52 of 1998
- The Financial Advice and Intermediary Services Act 37 of 2002 (FAIS)
- The Income Tax Act 58 of 1962
- The Financial Intelligence Centre Act 38 of 2001 (FICA)
- The Insurance Act 18 of 2017

7.10 Indemnity

The Insurer and/or Administrator will not be responsible or liable for any loss or damages suffered as a result of:

1. The investment or market risk of the underlying investment;
2. Changes in tax or other legislation;
3. Delays in any processing due to circumstances beyond our control;
4. Any external advice received from any third party;
5. Instructions given by any unauthorised party;
6. The failure of any networks, websites, applications or electronic or mechanical devices;
7. Information sent through your online profile;
8. Where we act on information provided by you or your Financial adviser which is determined to be incorrect or incomplete or where you or your Financial adviser have failed to notify us of any changes to information provided to us;
9. Your Financial adviser acting beyond the scope which he/she is authorised for.
10. Unauthorised use of your username and password;
11. Delays on executing processing instructions in the event of a force majeure or any unforeseen events that cause widespread disruption;
12. Any bona fide information provided to you by any other means other than by the Administrator.



OUTvest and Absa are licensed FSPs.

P.O. Box 8443, Centurion, 0046
1241 Embankment Road,
Zwartkop Ext 7, Centurion, 0157
Tel: +27 (12) 673 3000
Fax: +27 (12) 665 0994
www.outsurance.co.za

**Call 0860 688 837
or visit outvest.co.za**

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