

# Just Structured Endowment Fact Sheet



## Product description and objectives

The Just Structured Endowment is a linked endowment insurance policy that provides a return of capital plus a fixed net-of-tax return after five years, based on the performance of the underlying assets.

Legislation allows one partial withdrawal during the five-year period. At the outset of the policy, the Just Structured Endowment offers the client the unique option of a specified partial withdrawal after either 2 or 3 years, with the remaining specified maturity value payable at the end of year 5.

The effective return, net of tax and all fees and charges, will be quoted in advance and is expected to be significantly greater than fixed deposit rates.

## Underlying assets

The underlying asset is a structured deposit from one of the five largest banks in South Africa.

You have the option to enhance the yield by adding credit exposure to one or more counterparties with high quality credit ratings, which will be named in the quotation.

The full investment, both capital and fixed return, is exposed to the risk of default of either the bank and, if appropriate, the named counterparties. Just does not underwrite this risk nor provide any guarantee.

## The Just Structured Endowment is suitable if

- You are looking for a tax-efficient way to save
- You are looking for a fixed return as part of your overall asset allocation strategy and are comfortable that the partial withdrawal provides sufficient access to your investment over the next five years
- You are managing assets as part of your estate. Your investment will be paid directly to the people you choose as beneficiaries, instead of waiting for your estate to be wound up. It will usually be exempt from executor's fees

You can either invest as an individual or as a trust with natural persons as beneficiaries.

## Benefits

- The proceeds are not taxed
  - You have the option to continue the policy invested in the money market or any other linked investment offered by Just at that time.
- We will allow a full surrender during the first five-years or a specified partial withdrawal. No loans are allowed
- The surrender value will be equal to (subject to the restriction by legislation explained below)
  - the market value
  - less any wind-up costs on liquidating the underlying assets
  - less an administration fee (currently R500)

The surrender value is restricted by legislation to the purchase amount plus 5% interest compounded over the period. This restriction applies when the remaining balance, after processing the surrender, exceeds a threshold amount specified in legislation (currently R10,000).

The death benefit is equivalent to the surrender value, but no administration fee applies.

## Product rules

- The Just Structured Endowment is a single premium policy
  - Minimum premium size: R250 000
  - No additional premiums will be accepted during the first five years
- The policy allows for two lives assured, and for nominated beneficiaries
- The policy may be ceded as security or transferred to another person
- The policy may not be transferred to another product provider

## What are the risks of investing?

- If the bank and/or a named counterparty fail to meet their obligations, the benefit payable in terms of the Just Structured Endowment will be calculated with reference to the actual amounts recovered by Just from the bank or as reasonably determined by Just.
- The policy benefit may change if there are changes in taxation or legislation. Any such changes will be communicated in writing to you and your financial adviser.

## Fees

- The effective return is quoted net of tax and all fees and charges
- Adviser commission is subject to the regulated maximum of 3% upfront, plus VAT

## Notes for consideration

### Just

Just Retirement Life (South Africa) Limited is a registered life insurance company and Financial Services Provider (46423), regulated by the South African Financial Sector Conduct Authority and the South African Reserve Bank. It is a wholly owned subsidiary of the Just Group, which is a publicly listed UK entity.

### Not advice

All information and opinions provided are of a general nature and are not intended to address the circumstances of any individual. We do not provide financial advice. Any representation or opinion is provided for information purposes only.

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Please contact your financial adviser should you have any further queries.