

Payment of adviser fees for Sanlam Corporate Living Annuity members

A client's investment will attract an administration fee, intermediary service fee as well as fees levied by the relevant fund management companies depending on the underlying investments selected.

The following types of fees are applicable on a client's investment:

Type of fee	Explanation
Initial Glacier fee on recurring investments	Initial fee recovered before the recurring investment/payment is invested, and paid to Glacier. This fee is no longer applicable on new investments.
Initial Glacier fee on lump sums	Initial fee recovered before the investment was issued and paid to Glacier. This fee is no longer applicable.
Initial intermediary fee	Initial fee recovered before the investment is issued and paid to the intermediary.
Initial Management Company fee	Initial fee charged by the management company (MANCO) for purchasing into their fund. This fee is no longer applicable.
Glacier administration fee	Annual administration fee which is calculated daily and recovered from the underlying funds monthly. Payable to Glacier for the administration of the investment.
Intermediary annual fee	Annual fee which is calculated daily and recovered from the underlying funds monthly. Negotiated and payable to the intermediary.
Annual Management Company fee	Management fee charged by the management company for the management of the fund. Annual management company fee is either a fixed fee or a performance fee is recovered from the income declarations within the fund and is therefore included in the unit price.
Surcharge Fee	Surcharge is charged and calculated on the amount invested in shares only

Income from a Living Annuity

Income amount

It is compulsory for a client to receive an income from a living annuity. The minimum and maximum income is prescribed in the Income Tax Act.

On living annuities issued before 15 March 2007, clients can draw an income between 5% and 20% per year. On living annuities issued after 15 March 2007, clients can draw an income between 2.5% and 17.5% per year.

Living annuity transferred via Directive 135 (Section 37) or Section 14

According to Directive 135, the income or the frequency of the income on a living annuity may not be changed or reduced during the transfer. The client has to receive the same income amount and can only change his/her income and/or frequency on anniversary date.

All living annuities transferred via Section 37 have to adhere to the new income brackets. Glacier changed the Section 37 documentation to incorporate this. If a client currently receives 20% income and he/she transfers the living annuity via Section 37 to Glacier, the income percentage will be reduced to 17.5%.