

## Protected 4 Life

### BENEFITS:

- **Dynamically managed exposure** to active growth assets and defensive assets.
- **Protects you** against market reversals. The protection applies to capital and growth.
- **Locks in gains** during periods of strong performance.

### WHO CAN INVEST?

- **Anyone** (such as a natural person, retirement fund, trust or company) who wishes to protect their capital and take advantage of South African investment opportunities.
- **Investors may invest in rands** (a minimum of R25,000 applies).



*Protect and grow  
your money.*

# Summary

Protected 4 Life is a dynamic fund (the Fund) which accumulates returns from growth assets while protecting your capital and returns through defensive assets.

## KEY INFORMATION

NATURE OF THE INVESTMENT	The Fund is offered as a listed share on the South African Stock Exchange or a policy underwritten by Cadiz Life Ltd.
CURRENCY	South African rand classes of share are available.
MINIMUM INVESTMENT	R25,000
ROLLING CAPITAL PROTECTION	Daily protection is provided on your capital and growth over 3 years.
UNDERLYING CREDIT RISK	BNP Paribas (S&P AA rating)
MINIMUM INVESTMENT TERM	The Fund is an open-ended investment and you should invest with a medium to long-term investment horizon.
FUND MANAGER	Cadiz Asset Management (Pty) Ltd
FEEES (EXCL. VAT)	<b>Ongoing fund management fee:</b> 0.75% per annum <b>Financial adviser fees that you agree with your adviser:</b> - maximum of 3.00% initial; or - up to 0.75% per annum. If you access Protected 4 Life via Cadiz Life Ltd a policy administration fee of 0.70% per annum is payable.
ACCESS TO YOUR MONEY (LIQUIDITY)	Monthly
IMPORTANT ADMINISTRATIVE DATES	<b>Monthly cut-off date for applications or withdrawals:</b> 20th of each month <b>Valuations:</b> Daily

## HOW CAN YOU INVEST IN THE FUND?

	CADIZ LIFE POLICY	SHARE INVESTMENT
ACCESSING THE FUND	Invest into a policy underwritten by Cadiz Life Ltd. (FAIS Product Category - Long Term Insurance Category C)	Buy the listed share. (FAIS Product Category - Shares)
MINIMUM INVESTMENT	R25,000	R25,000
MINIMUM TERM	The policy is open-ended but has a minimum 5 year term.	No minimum term but to benefit from the protection, you should remain invested for the medium to long-term.
HOW CAN YOU CANCEL YOUR INVESTMENT?	<b>Within the initial 30 day cooling-off period:</b> You have a 30 day cooling-off period to change your mind about your policy. If you change your mind within this period, we will sell the shares at market value and pay you this plus any financial adviser fees that have been included in the cost of the investment. This value may be lower than the initial amount you invested. <b>After the 30 day cooling-off period:</b> If you surrender your policy after the 30 day cooling-off period, we will sell the shares and pay you the market value, which may be lower than the initial amount you invested. <b>During the first 5 years of your policy, you may make one withdrawal:</b> The maximum amount you may withdraw is the lesser of: - your initial contribution plus 5% per year; or - the market value of the shares.	Give us notice to sell your shares.
TAX IMPLICATIONS	The lump sum you get back from your investment is tax-free in your hands.	Long-term share investments should be classified as capital investments. You are liable for keeping your own tax records and making tax submissions.

# How the Fund works

The dynamic allocation between growth assets (via the Index) and defensive assets aims to maximise your growth. The strategy:

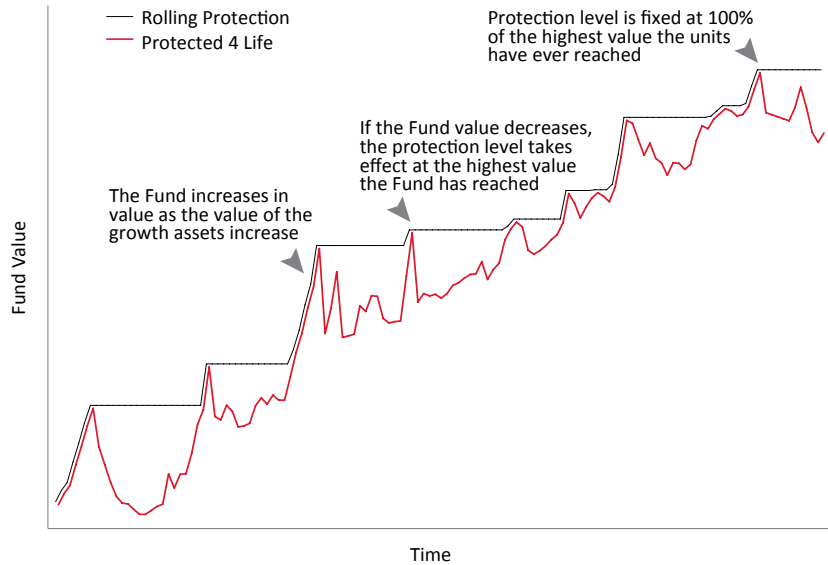
- increases your exposure to the Indices when it performs strongly; and
- protects your capital and growth from market reversals by locking in the highest daily value ever achieved.

We dynamically allocate your investment between growth assets and a bond component daily by following a defined mathematical formula. The different share classes offer different periods of rolling protection, as indicated in the Key Information table opposite.

As the value of the Index rises, the Fund allocates more to the Index, which provides you with higher exposure to the rising growth assets. As a result, the value of the Fund will rise. As the Fund value rises, the level of your rolling protection continues to rise.

If the value of the Index falls, the Fund gradually switches out of the Index and allocates more to the bond component.

This ensures that previous investment gains are protected against large market falls. The Fund's value will fall when the Index is falling; however it will be at a slower rate than the Index due to increasing bond exposure.



**The protected value cannot fall.** The Fund's value can never fall below the rolling protection level, which is the highest level the Fund has ever reached (see diagram above). If the Fund value is lower than any previously observed Fund value, the protected value would have been set at the previous high. The Fund's value can however be higher than the protected value. All investment amounts you make, irrespective of when they occur, are fully protected on a rolling basis due to the perpetual protection of the Fund. BNP Paribas provides protection on the capital and growth.

## THE INDEX BELOW PROVIDES THE GROWTH ASSETS:

	REDUCE RISK AND IMPROVE RETURNS VIA DIVERSIFIED EXPOSURE TO:	DYNAMIC ASSET ALLOCATION	RISK CONTROL <i>There is always a trade-off between risk and return. Volatility (risk) is a key input in the allocation process.</i>
<b>BNP MSCI South Africa ISOVOL 15 Index</b> , sponsored and maintained by BNP Paribas. It is a risk controlled version of the MSCI South Africa Index, which has existed since December 1992.  <b>Classes available:</b> SA Equities	South African: - Equities - Cash	We review the asset allocation daily to: - increase equity exposure in calm market conditions and capture upside potential; and - reduce equity exposure in bearish (falling) and turbulent markets.	Every day we optimise the best portfolio of assets to generate equity-like returns by maintaining volatility at or below a target level of 15%.

# Questions and answers

## What happens after you complete an application form and invest?

1. When we receive your money, we will invest this in our client trust account. This will accumulate interest until the 20th of the month.
2. We will write to you to acknowledge receipt of your application within 5 working days.
3. We will buy shares in the Fund on the 1st business day of the following month.
4. Within 21 business days after we have invested your money we will issue confirmation of your investment and your financial adviser will give this to you.

## How will we keep you informed?

We will send you a statement for the 6 months to June and December each year showing the details of your investment. You may also access this information online via our secure website at [www.cadizwealth.co.za](http://www.cadizwealth.co.za)

## What if you need your money?

- Upon written request received prior to 20th of the month, the proceeds of the redemption will be paid within 15 working days of the following month.
- Should the written request be received after 20th of the month, the proceeds of the redemption will be delayed by a further month ie. 2 months from the redemption request.

## What happens to your investment in the event of your death?

We will give your estate or any beneficiaries access to the investment. They may decide whether to keep the investment, or withdraw the money.

## What are the risks associated with this investment?

**Share price movement:** Market changes can make the value move up and down.

**Credit risk:** We don't compromise on risk and we have carefully selected a financially strong blue chip institution to invest with. We use BNP Paribas to ensure that there is low risk to capital, income and growth.

### About BNP Paribas: A strong counterparty for today's markets

- One of the 6 strongest credit ratings in the banking world (S&P AA rating)
- One of the global banks with the least amount of write-downs and credit losses and capital raised within its peer group
- Market capitalisation of €70.2 billion (as at 4 May 2011)
- First bank worldwide in terms of assets (€2.0 trillion as at 4 May 2011)

Source: Bloomberg, May 2011

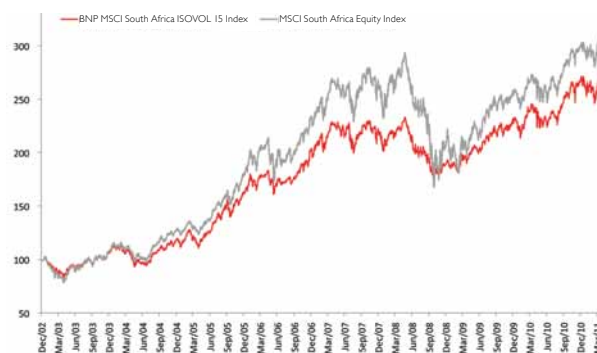
## What is volatility and why is it important?

Risk (volatility) and return are linked. It is generally understood that to get more return you must take more risk. Volatility represents how much the price can change over a given measurement period. For example, a target volatility of 15% per annum means that on average you should expect the Index returns to be 15% above or below the previous year's returns on a rolling 1 year basis. A target volatility allows you to enjoy all the benefits of volatile assets without placing your entire investment at risk.

## How has the Index performed?

The key driver of growth is the Index.

The **BNP MSCI South Africa ISOVOL 15 Index** has the potential to deliver strong risk-adjusted returns while consistently reducing equity exposure during severe market falls. This performance demonstrates the benefits of risk control coupled with dynamic allocation.



Source: Cadiz/Bloomberg, since December 2002

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