NEDGROUP INVESTMENTS

Investment Agreement
Living Annuity

see money differently

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Thank you for choosing Nedgroup Investments. This investment agreement sets out your rights and responsibilities as an investor in the Nedgroup Investments Living Annuity.

If anything is unclear, or if you have any questions or feedback, please contact your financial planning business or our Client Services Centre on 0800 123 263. We will gladly assist you.

1. Definitions

In order to understand this investment agreement, please read the definitions below carefully.

Administrator ('we' or 'us')
Nedgroup Investment Advisors Proprietary Limited is the company that has been appointed to administer the Nedgroup Investments Living Annuity.

In this investment agreement we refer to this legal entity as 'the Administrator', 'we', or 'us'.

Investor ('you' or 'the policyholder')
The individual that invests in the Nedgroup Investments Living Annuity and who legally owns the policy.

In this investment agreement we refer to the investor as 'you' or 'the policyholder'.

Insurer
Nedgroup Structured Life Limited is a company that is authorised as a long-term insurer and is registered under the Insurance Act. It is a member of the Association of Savings & Investment of South Africa (ASISA). In this investment agreement we refer to Nedgroup Structured Life as 'the Insurer'.

Annuity income
The income, before income tax is deducted, that is payable to you on a regular basis under the policy.

Anniversary date
This is the anniversary of the date on which the policy originally began. If the policy resulted from a transfer, the anniversary date will be the same as before the transfer.

Manager
Nedgroup Collective Investments (RF) Proprietary Limited is the company that is authorised by the Collective Investment Schemes Control Act to administer the unit trust portfolios that are the investment options under the Nedgroup Investments Living Annuity. It is a member of ASISA.

Nedgroup Investments Living Annuity ('the policy')
The Nedgroup Investments Living Annuity is the name of this long-term insurance policy issued by the Insurer.

In this investment agreement we refer to the Nedgroup Investments Living Annuity as 'the policy'.

Beneficiary
The person(s) you nominate to receive a policy benefit on your death.

Unit trust portfolio (commonly known as a 'fund' or 'unit trust')
The pool of assets bought with the money from a group of investors that is managed by professionals and held by its trustee in trust for you. The investment mandate of the unit trust portfolio determines the selected assets.

In this investment agreement the term 'unit trust portfolio' refers to the Nedgroup Investments unit trust portfolios administered by the Manager.

Unit
A unit trust portfolio is divided into identical units. Each unit represents the same amount of assets in the unit trust portfolio. The size of a contribution and the unit price when an investment is made determines the number of units held in a unit trust portfolio account. A unit trust portfolio may have different classes of units for which there are different fees and charges. A unit is also known as a 'participatory interest' in the unit trust portfolio.

In this investment agreement the term 'unit' refers to a unit in the Nedgroup Investments unit trust portfolios administered by the Manager.

Financial planning business
An authorised Financial Services Provider as defined in the Financial Advisory and Intermediary Services Act, which may be either a legal entity or an individual.

In this investment agreement the term 'financial planner' also refers to 'financial planning business'

Investment mandate
A document we prepare describing the main characteristics, objectives and investment limits of a unit trust portfolio. It is lodged with ASISA and you can ask them or us for it at any time.

Investor number
This is your unique identification number that we use to identify you and access all you your policy and other information.

Product account (client account group)
Your policy is administered by us through a product account/client account group, which comprises your policy's underlying unit trust portfolios as selected by you and made available by the Insurer (also referred to as the 'underlying investment' or 'investment').

We use the term 'product account' in this investment agreement.

Business day
We only operate on business days. This is any day apart from a Saturday, Sunday or official South African Public holiday. Day and business day have the same meaning.

2. The Nedgroup Investments Living Annuity How does it work?

2.1 The Nedgroup Investments Living Annuity
The Nedgroup Investments Living Annuity is a living annuity policy, purchased from the Insurer in your name and on your life to provide you with an annuity income. The policy provides you with the flexibility, within certain regulatory limits, to select an annuity income to suit your income needs. It can only be purchased with proceeds from a retirement fund or with the proceeds from another living annuity.

The parties that may be involved in the policy are:

- investor (you, or the policyholder);
- the Insurer;
- the Administrator; and
- beneficiaries.

2.2 When does the policy start and when does it end?
Your policy starts after the Administrator has received and accepted your initial investment form, including all supporting documents on behalf of the Insurer, and your contributions are invested.

The policy does not have a fixed termination date and will only end when:

- you withdraw the total amount available under the policy, if the value is less than the amount prescribed by legislation from time to time;
- you transfer the policy to another Insurer; or
- you pass away.

2.3 How is the annuity income generated?
The annuity income is generated by selling units from the unit trust portfolios underlying your policy, either proportionately from all your unit trust portfolios or only from a specific unit trust portfolio you select.

2.4 When can you review your annuity income and payment frequency?
You select your annuity income and payment frequency at the start of the policy and may only change it at every anniversary date. If the policy resulted from a transfer, the annuity income and payment frequency will be the same as before the transfer until the first anniversary date when you may change it.

2.5 What is a restriction period?
You can select either:

- a South African rand amount; or
- a percentage of the value of the product account.

You may request the frequency of the payment to be monthly, quarterly, biannually and annually. The annuity income will be paid in advance except for monthly payments which will be paid at the end of every month. Regardless of whether you choose a rand amount or a percentage, your total annuity income must fall within the regulatory limits.

If you select a rand amount, the percentage representing the amount you selected will be determined on the investment amount less fees and charges (net investment amount). To determine the equivalent percentage the annual amount must be divided by the net investment amount.

Thereafter, the rand amount (if not changed by you at the anniversary) remains the same, except where it must be changed to remain within the regulatory limits. We will communicate this change to you, if any.

If you select a percentage, your annuity income is determined with reference to your investment amount less any fees and charges multiplied by the annuity percentage. Thereafter, your annuity income is recalculated at the anniversary date with reference to the annuity percentage you selected and the market value of the underlying investments of the product account.

Your annuity income may differ from year-to-year and the amount is not guaranteed. The annuity income expressed as a percentage will remain unchanged. If the regulatory authority and/or legislation changes the annuity percentage limits, the new limits will apply.

In terms of regulatory requirements you are required to select an annuity income within prescribed limits set by legislation and/or the regulatory authorities from time to time. The current limits are a minimum of 2,5% and a maximum of 17,5% per year.

2.6 Is there any life cover on this policy?

You are responsible for choosing one or more unit trust portfolios, from those made available by the Insurer to you, as the underlying investments of the product account. The value of the product account is directly linked to the market value of the underlying unit trust portfolios and is not guaranteed (i.e. may move up and down). The Insurer re-invests all dividends and interest earned in the unit trust portfolios.

The market value of the product account is increased by:

- positive investment returns;
- reinvested income distributions.

The market value of the product account is reduced by:

- negative investment returns;
- annuity income payments;
- any relevant fees and charges;
- withdrawals.

2.7 What is the tax treatment of the policy?

In terms of current legislation the investment returns (capital growth, interest and dividends) of the policy are not taxed.

However, all your annuity income will be taxed in line with South African Revenue Service (SARS) requirements. The Insurer must deduct income tax from your annuity income in accordance with tables set out in the Income Tax Act, assuming that this is your only source of income. If you provide us with a directive from SARS to apply a lower tax rate, income tax will be deducted accordingly. You may also request that a higher tax rate be applied by specifying this on the relevant form. The Insurer pays the tax over to SARS.

Income tax may be incurred and recovered when you fully withdraw the value of the policy or on your death if the beneficiary selects to take a cash lump sum. The Insurer must produce income tax certificates for taxation purposes.

3. Which documents form part of this investment agreement?

Your agreement with the Insurer is based on:

- your initial investment form;
- your supporting documents;
- the Portfolio Characteristics document relevant to you;
- your policy summary;
- this investment agreement; and
- any later instructions (submitted electronically or otherwise if required) the Insurer/we accept from you via our 'instruction forms'.

4. What are your rights and responsibilities?

4.1 Read the information we make available about your investment options carefully

You are responsible for your investment decisions and must carefully consider whether this investment is suitable for your needs.

- Read the Initial investment form, the relevant Portfolio Characteristics document and this investment agreement before making your investment.
- Make sure that you understand the fees explained in these documents.

4.2 Appoint or change the financial planning business that provides you with financial advice

The Insurer and us may only give you information about your investment options and may not give you advice on whether any investment is suitable for your needs. If you need financial advice, it is your responsibility to appoint a financial planning business. All financial planning businesses (including Nedbank Financial Planning) are independent of the Insurer and us, and they may neither act for the Insurer nor us.

4.2.1 Appoint a financial planning business

You may appoint a financial planning business by completing the appropriate form provided by the financial planning business or us. You must give us written permission to:

- link all your policies to your appointed financial planning business; and
- invest in or switch the unit trust portfolio underlying your policy to a unit class that allows the collection and payment of fees to your financial planning business.

You must check with the financial planning business that both the business and its representatives are authorised to give you advice on this policy in terms of the Financial Advisory and Intermediary Services Act.

4.2.2 Change your financial planning business

You may terminate the appointment of your current financial planning business and appoint a new one at any time by completing the appropriate form.

- We will cancel the existing appointment and all financial planning fees payable in terms thereof, record the appointment of the new financial planning business and confirm the change with you.
- You must specify the initial and annual financial planning fees that you agree with your new financial planning business for each unit trust portfolio and you must authorise this on the appropriate form.

You may terminate the appointment of your current financial planning business and choose not to appoint a new one.

- We will cancel the appointment of your existing financial planning business and switch your investment into a class of units that does not allow for a financial planning fee.
- We will send you confirmation of the switch and the termination of the appointment and you will no longer have access to the benefits of financial advice or the range of unit trust portfolios available to financial planning businesses.

You will no longer have access to the benefits of financial advice or the policy options available to financial planning businesses.

4.3 Understand the implications of what it means to replace an existing financial product with another

If this policy is a replacement (whole or in part) of another existing financial product you own, you must make sure you understand the actual and possible implications costs and consequences of the replacement.

4.4 Use our initial investment and subsequent instruction forms

The Insurer and we will only accept or process initial investment and subsequent instruction forms that are completed, signed and submitted electronically in a prescribed format, unless we specifically require an alternative method.

4.5 Provide complete and accurate information

You must make sure that all of the instructions, documents and information that you give us are accurate, clear and complete.

4.6 Choose your unit trust portfolios

You are responsible for choosing (as your policy's underlying investment) one or more unit trust portfolios, from those made available by the Insurer, that are right for your investment needs and risk profile.

The Insurer may change the unit trust portfolios available to you from time to time. To see whether a unit trust portfolio is available, contact our Client Service Centre, or visit our secure website, or contact your financial planner.

The unit trust portfolios underlying your policy are made up of assets such as equities, bonds, property and cash. These asset classes have different levels of risk and returns associated with them. It is important to review the overall composition of the policy. Too high a proportion of risky assets means there is a greater risk of losing capital while too low a proportion of risky assets means there is a risk that investment returns may be too low to sustain your desired annuity income. While there are no specific prescribed limits for the policy – please take into account the limits that the Pension Funds Act prescribes for pre-retirement investments through any approved retirement fund. These limits regulate the maximum exposure to the different asset classes that a retirement fund and individual member of the fund may have to protect their savings; and therefore give guidance on what you may regard as prudent investment limitations. While the regulated limits apply while you are saving up to your retirement through an approved retirement fund, after retirement, when you are normally dependent on receiving a regular and stable income, a more conservative approach to asset selection may be desirable. It may therefore be useful to refer to these limits to assess the overall asset composition of the policy.

Broadly speaking the maximum exposure that retirement funds may have to the various asset classes are as follows:

- 75% to equity investments;
- 50% to non-government debt instruments;
- 25% to offshore investments;
- 25% to property investments;
- 15% to hedge funds, private equity funds and any other asset not specifically mentioned aggregated together; and
- 10% to commodities like gold.

This is however not a substitute for professional financial advice because these limits do not consider your personal circumstances.

4.7 Purchase the policy and transfer a lump sum contribution

The Insurer does not accept cash contributions. Subject to the requirements of legislation and the regulatory authorities, the following benefits may be transferred as a lump sum contribution to the policy:

- Retirement benefits received from a retirement fund; or
- Policy benefits from another living annuity policy.

Each transfer contribution may be treated as a new investment and a separate policy and product account may be created. The minimum contribution for each unit trust portfolio is disclosed in the forms and may change from time to time.

Your contributions must be paid in South African rands by internet transfer (payment by EFT).

There is no obligation on the Insurer to ensure contributions are made on your behalf. You must make sure that your contribution to the Insurer is made at the same time you give your instruction to invest, or that your contribution is available in the Insurer's bank account.

4.8 Phase in your contributions

You may phase your lump sum contributions, or your existing investment in the Nedgroup Investments Core Income Fund, into a unit trust portfolio(s) over such time periods specified by completing the relevant phase-in form.

Your lump sum contribution will be invested in the Nedgroup Investments Core Income Fund wherefrom the phase-ins will be made. On completion of your phase-in, the market value of each designated unit trust portfolio selected must meet the investment minimums prescribed in the forms.

You may not elect to phase your contribution into a unit trust portfolio from which a recurring withdrawal has been requested.

4.9 Select your annuity income

You have to select your annuity income and how often you wish to receive it when the policy starts and at every anniversary date as described in clause 2.4 and clause 2.5. Your annuity income must always fall within the regulated limits.

The selected annuity income may be too high or may not be sustainable if:

- you live longer than expected with the result that the capital is significantly depleted before your death; or
- the return on the capital is lower than that required to provide a sustainable income for life.

Your policy, purchased with your retirement capital, should provide you with an income for life, and it is your responsibility (in consultation with your financial planner) to ensure that the income selected is at a level that will be sustainable for the rest of your life. You need to carefully manage their income drawdown relative to the investment return on the capital in order to achieve a sustainable income.

The table below may be used as a guide:

Years before income will start to reduce		Investment returns per annum (before inflation and after all fees)				
		2.5%	5.0%	7.5%	10.0%	12.5%
Annual income rate Selected at inception	2.5%	21	30	50+	50+	50+
	5.0%	11	14	19	33	50+
	7.5%	6	8	10	13	22
	10.0%	4	5	6	7	9
	12.5%	2	3	3	4	5
	15.0%	1	1	2	2	2
	17.5%	1	1	1	1	1

The table is a general guideline and should be considered taking into account your individual financial situation and all other sources of income. It is an indicative guideline only, to assist you in making informed decisions in respect of your annuity.
Source: ASISA Standard on Living Annuities, 2009

The preceding table assumes that you will adjust your selected income percentage over time to maintain the amount of income (allowing for inflation of 6% per annum). Once the number of years in the table above has been reached, income will diminish rapidly in the subsequent years.

Please ensure that you understand both the advantages and the risks of the policy and compare these against conventional annuities (where the insurer carries the full investment risk and the risk of the investor living longer than expected).

4.10 Nominate Beneficiaries

You may nominate one or more beneficiaries to receive the policy benefits upon your death. You may indicate in what proportion they are to share the proceeds, and if you don't specify this, they will share on an equal basis. Your nomination will have no effect if your beneficiary dies before you. If any of your nominated beneficiaries die before you and you have not made any amendment to your nomination, their portion of the policy benefit will be paid to the other nominated beneficiaries proportionately.

It is important to keep your nominations up to date. To change your nomination you must complete and sign (electronically or otherwise if required) a Beneficiary Nomination Form. This form should be received by us while you are still alive, as the Insurer is not obliged to accept a Beneficiary Nomination Form after your death.

4.11 Send your instructions to Nedgroup Investments

We receive and accept your instructions on behalf of the Insurer. You, the person you have authorised or your financial planner must send us your instructions as provided for on the relevant instruction forms.

4.12 Check the confirmation and report errors in the documents we send you

You must read the correspondence we send you carefully and promptly. If you find any errors, please report them to us as soon as possible.

4.13 Keep copies of all correspondence about your policy

You, the person you have authorised or your financial planning business (or both if applicable), must keep copies of all the instructions sent to us, as well as all communication we send you about your policy.

4.14 Check your policy regularly

You must check your policy regularly; especially if the reasons you invested or your financial circumstances change, to ensure that your investment continues to suit your needs.

4.15 Update your details

You must complete a Personal Details Change Form if your personal details change. This includes, but is not limited to, changes to your bank and contact details (residential, postal and email addresses). We may ask you for supporting documentation as proof of certain changes.

Should you fail to inform us of any personal detail change and we are unable to reach you on the contact details provided, your investment may become unclaimed. In the event of an unclaimed investment we will attempt to contact you on the last known contact information provided (referencing our internal data base and failing that an external data base). Following these steps, and after a certain period of time, we are still unable to contact you we will appoint an external tracing company to trace you. The use of an external tracing company may incur costs which may be deducted from the value of your investment if you are traced.

4.16 Register for online access

Once your initial investment form has been processed and you have received your welcome pack containing your investor number, you may register to view your investment(s) online via our secure website. For access, please go to our website (www.nedgroupinvestments.com) and click on 'register'. You will be required to accept our secure website terms and conditions and you or the person acting on your behalf are responsible for keeping your online registration details (including your username and password) in a safe and secure place.

4.17 Switch between unit trust portfolios underlying your policy

You may switch between the available unit trust portfolios underlying your policy at any time by submitting a fully completed switch form. A switch instruction has two parts: selling units in one unit trust portfolio and buying units in another unit trust portfolio.

A switch instruction is normally processed on the same business day; however, there may be times when it may not.

4.18 Change your annuity income annually

You may only change your annuity income and at what intervals it is paid on each anniversary date. If you transfer an existing living annuity to the Insurer, you need to review your annuity income on the first anniversary date on/after a transfer. Your choice of annuity income will be subject to the minimum and maximum percentage rate limits set out in legislation at that time.

4.19 Withdraw all of your investment

You may request to withdraw the full market value of the policy and have it paid to you as a lump sum, if the value is less than an amount set out in legislation. The Insurer may also request that you do this. Your policy will end when this happens.

4.20 Transfer your policy to another insurer

You may request to transfer your policy to another insurer, subject to the requirements of the insurer, the regulatory authorities and the insurer you wish to transfer to. Another compulsory annuity policy will be purchased in your name from the other insurer and this policy will end.

4.21 Answer our requests to you for information

We will ask you to give us additional documentation and information from time to time to comply with legislation and manage your policy efficiently. Please respond to our requests promptly.

5. What are the Insurer's rights and responsibilities?

5.1 Make a range of unit trust portfolios available
The Insurer makes a range of unit trust portfolios available to you as investment options under the policy.

5.2 Invest contributions from policyholders
The Insurer receives contributions from you and other policyholders and invests the contributions into the unit trust portfolios selected on the investment form. The investments are owned by the Insurer and you have no right to any specific investment.

5.3 Amend your annuity income or capital
The Insurer may amend your annuity income level if required by legislation or the requirements of regulatory authorities, or if you failed to request a change to your annuity income percentage on an anniversary date - in order to preserve your capital. Your capital may also be reduced in order to maintain your selected income level.

5.4 Change the availability of unit trust portfolios
The Insurer may change the availability of unit trust portfolios in the following manner:

5.4.1 Remove a unit trust portfolio
The Insurer may change the list of unit trust portfolios available to you from time to time. If for any reason a unit trust portfolio you selected is no longer available, we will contact you and ask you to select an alternative unit trust portfolio.

5.4.2 Close a unit trust portfolio
The Manager may close a unit trust portfolio at any stage to new investments (including additional lump sum investments). The Manager may do this because of Exchange Control Regulations, to allow the unit trust portfolio to be managed in line with its investment mandate, or because of a business decision.

5.4.3 Change your unit trust portfolio(s)
The Insurer may change your selected unit trust portfolio(s) by switching the investment from your chosen unit trust portfolio to another unit trust portfolio. This may be done if the Insurer breaches the investment limits set out in the Long-term Insurance Act or if you fail to select an alternative unit trust portfolio as described in 5.3.1 above.

5.5 Pass on any bank interest
The Insurer will calculate bank interest, at the applicable rate, on your contribution if it remains deposited in the Insurer's bank account for more than 24 hours and invest it into your selected unit trust portfolio(s).

5.6 Pay policy benefits and deduct tax
The Insurer must pay, after deduction of income tax (as described in clause 2.8), your selected annuity income at your chosen payment frequency. A minimum of one annuity income payment must be made within each tax year. The annuity income will be paid in South African rands by electronic fund transfer only, into a current, transmission or savings account in your name. The Insurer will not make payment to third party bank accounts.

The Insurer must produce income tax certificates for taxation purposes. We will pass the certificates on to you.

5.7 Provide tax certificates
The Insurer must produce income tax certificates for taxation purposes where applicable. We will pass the certificates on to you.

5.8 Re-invest income distributions
All income distributions from your selected unit trust portfolios will be reinvested automatically by the Insurer for your benefit.

5.9 Change the terms of this investment agreement
The Insurer may make changes to the terms of this investment agreement as provided for herein, or as a result of any regulatory changes, or as a result of changes to the Insurer/our business processes. You will be bound by the terms and conditions of any such amended investment agreement and you may obtain the latest version of the investment agreement from our Client Service Centre, our secure website, or from your financial planning business. The Insurer may not reduce the rights and benefits you have under the policy unless the amendment is due to changes in taxation, legislation or practise or interpretation by any court, regulatory authority or the Insurer.

6. What are our rights and responsibilities?

6.1 Act with honesty and integrity
We and the Insurer must act with honesty, fairness, skill, care and diligence in all our dealings with you.

6.2 Administer policy benefits
We have entered into an agreement with the Insurer to administer the benefits under the policy.

6.3 Communicate with you
We will communicate with you, the person you have authorised or your financial planning business (as applicable) in English, on behalf of the Insurer, to give you important information, including:

- policy summary;
- proof of your investment details;
- notice about important events affecting your investment;
- transaction confirmations;
- investment statements – at least annually;
- abridged annual reports - for the Insurer; and
- our quarterly newsletter.

You may ask for copies of this information and any other information that the law requires to be made known by contacting our Client Service Centre or your financial planning business.

If you are registered online, you can log into our secure website to access some of this information.

6.4 Accept, suspend, delay or withdraw your instructions
We may accept, suspend, delay or reject your instructions on behalf of the Insurer. We may also reverse any transaction where we believe the circumstances give us a good reason to do this.

The following factors will determine whether we accept, suspend, delay or reject your instructions:

- Our business requirements and administrative processes, including those explained in the investment form.
- The investment minimums.
- If the unit trust portfolio you have chosen is available together with the appropriate class of units.
- The terms of this investment agreement.
- Applicable legislation at the date of your instruction including but not limited to us performing and completing all checks, verifications and assessments required under applicable legislation..
- Receipt of all supporting documents.
- Confirmation of the bank account details you gave us.
- Whether your contribution shows in the Insurer's bank account.

6.5 Processing your instructions
We are responsible for processing your instruction once we have accepted it on behalf of the Insurer.

The price of a unit in each unit trust portfolio is calculated daily at 15h00. We do this by taking the total value of all assets of the unit trust portfolio, including any income less allowed deductions, and dividing that by the number of units created for the unit trust portfolio.

This price applies to instructions accepted during the same business day. In other words, all instructions accepted during the day are processed and priced at the end of the day. You will therefore only know the value of your investment or withdrawal after this daily pricing process.

Processing times for:

6.5.1 Investments, withdrawals and switches

The table below shows the time it takes for investment in and withdrawal from a unit trust portfolio, as well as for switching between the available unit trust portfolios once we have accepted an instruction from you and received all supporting documents:

Business cut-off to receive an instruction is 14:00, except for the money market funds which is 12:00	Process the instruction + buy and sell units (investment, withdrawal, or switch; switches may take more than 1 business day)	Unit price received from us	Shows on investment statement
Before cut-off (Business day 1)	Business day 1	The price at the close of Business day 1	Business day 2
After cut-off (Business day 1)	Business day 2	The price at the close of Business day 2	Business day 3

6.5.2 Annuity income payments

If you reviewed your annuity income amount and wish to change it, we must receive written notice by 14:00 to this effect five business days before the 20th of the month (provided the 20th is a business day), for the instruction to be acted upon within the same month.

6.5.3 Processing order of multiple instructions

You may choose to contribute by debit order on the available dates. We will collect your contribution on the date selected and invest it at the unit price of that day. If the selected date is not a business day, we will collect the contribution on the next business day. We need to get your debit order initiation and amendment instructions by the cut-off time, 5 business days before the relevant date. We will process any instructions received after the cut-off date the following month.

6.5.4 Investment made by phase-ins

Phase-ins are made on the 10th of every month. If the 10th is not a business day it will take place on the next business day. We need to get your phase-in instruction by the cut-off time 5 business days before the phasein date. If all requirements are not met, we will process your phase-in instruction on the phase-in date in the following month.

6.6 Maintain professional and fidelity insurance

We and the Insurer are insured against fraud, negligence or dishonest behaviour.

6.8 Protect your personal information

Your privacy is very important and we and the Insurer will use all reasonable efforts in order to ensure that any information, including personal information (such as your name, physical address, email address, identification number or phone number) provided by you, or which is collected from you or from third parties is processed, transferred and stored in a secure manner, however:

The Insurer and Nedgroup Investments will process and share your information to fulfill our contractual obligations to you and/or where we are required to do so by law. We may share your information within our subsidiaries and associates and cessionaries, delegatees or successors in title (together referred to as 'Nedbank') who may process your personal information (as defined in section 1 of the Protection of Personal Information Act, as may be amended from time-to-time), including fingerprints, biometric personal identification details, photographs and identity verification, for purposes of:

- Providing financial services
- Designing, marketing and offering financial services or related products which may be of interest to you,
- Detecting and preventing fraud and money laundering.

The Insurer and Nedgroup Investments may also send your personal information to third parties in order to provide a service related to your investment, and also to send such information to foreign countries, when necessary, by electronic or other means for processing. You understand that such countries may not have specific data privacy laws and that where that is the case, we will enter into appropriate confidentiality agreements with the service providers in the foreign countries. The Insurer and Nedgroup Investments may search, update or place your records at credit reference bureaus and government agencies in order to verify your identity, and also make any enquiries that it deems necessary to confirm the details on this form.

The Insurer and Nedgroup Investments may also undertake identity and fraud prevention checks and share information relating to this application with South African fraud prevention services.

The Insurer and Nedgroup Investments may share your information to facilitate tracing in the event that your investment becomes unclaimed.

Your consent (where applicable) provided in this clause will survive any contractual relationship that you have with the Insurer and Nedgroup Investments, unless you withdraw such consent in accordance with the various methods of communication provided by us.

7. What is not covered by this investment agreement?

7.1 Investment guarantees

Neither the Insurer nor we guarantee the performance of your policy. You carry the investment and market risk, which includes the possibility of losing capital.

The market value of your policy may go up or down depending on the market value of the unit trust portfolios underlying your policy. If your selected unit trust portfolios have international assets, a change in the exchange rates may cause the value of those investments to rise and fall. Past performance is also not necessarily an indication of what will happen in the future. Unit trust portfolios are generally medium- to long-term investments.

7.2 Advice

Neither the Insurer nor we give any advice on financial products and will only give you factual information and respond to administrative queries. You must not rely on any written, spoken, or implied communication from us or the Insurer as investment advice, or any recommendation to invest in or change your policy.

7.3 Certain losses suffered

Neither the Insurer nor we are responsible for any losses suffered because of the following reasons:

- Delays in the processing or the rejection of your policy application for reasons beyond our control. These include:
  - if your financial planning business does not get approval from the Financial Services Conduct Authority; or acts beyond the scope of his or her FSCA license; or is not approved by us; or gives us unauthorised instructions;
  - if you, the person you have authorised, or your financial planner provides us with incorrect or incomplete information, or fails to disclose or misleads us as to a material fact;
  - if a third party does anything illegal or invalid or does not do something that they should have done;
  - if we cannot verify the bank account details you provide through our bank verification process; and any legal requirements, unit trust portfolio limits, timing standards, administrative practices and procedures that apply to your policy.
- You do not get your spouse's permission to act on your investment if you are married in community of property.
- A person you have authorised acting beyond the scope of their authority or if they do not send you correspondence we or the Insurer send them.
- Changes in tax or other laws that affect your policy.
- The failure or delay of any website, networks, electronic or mechanical devices, or any other form of communication we use to process instructions about your policy.
- Us providing your financial planner with details about your policy.
- Us doing business telephonically, electronically or by fax.
- Us acting on incorrect information where you failed to notify us of any changes to such information
- The investment or market risk of your policy.

- The delayed sale of units in a unit trust portfolio due to ring-fencing. 'Ring-fencing' is the separation and delayed sale of units in a unit trust portfolio. It is caused by the large sale of units above a certain threshold in a unit trust portfolio. Ring-fencing makes sure that the sale of a large number of units will not force us to sell the underlying assets at a price which could negatively affect investors in the unit trust portfolio. We may delay the payment or reinvestment of the proceeds of the sale of units.

7.4 Cooling-off

The cooling-off period is a number of days that you are given after investing to change your mind and cancel an agreement. It is a way of protecting you from being talked into an investment without giving it enough thought, planning and consulting with others about the merits of the investment.

Your policy does not depend on a cooling-off period and you cannot cancel it. You may however request a transfer of your policy to another insurer on any business day.

7.5 Tranfers and loans

Benefits under the policy may not be transferred or pledged to someone else as payment or as security. The benefits under the policy cannot be used to secure a loan.

8. What do you pay?

Any fees that are levied will reduce the value of the unit trust portfolios underlying your product account by the same amount or percentage. The unit trust portfolio and class of unit that you choose will determine the fees that you pay. All fees are detailed in the relevant Portfolio Characteristics document, and/or other disclosure documents, which can be obtained from our Client Service Centre, or on our secure website or from your financial planner.

Two types of fees may be deducted on an initial and/or annual basis:

- portfolio management fees; and
- financial planning fees.

All financial planning fees are paid inclusive or exclusive of Value Added Tax (VAT) depending on the financial planning business VAT status.

8.1 Initial financial planning fees

You may agree to pay your financial planning business an initial financial planning fee by filling in the relevant section on the instruction form. This initial financial planning fee is deducted from each contribution before the investment is made into your selected unit trust portfolio, and the balance of your money is invested. If you have elected to phase-in your contributions (as described in clause 4.8 above) the agreed initial financial planning fees will be deducted from the investment in the Nedgroup Investments Core Income Fund before the investment is made into your selected unit trust portfolio.

You need to approve the initial financial planning fee for each lump sum contribution and switch instruction.

8.2 Annual portfolio management fee

The Manager charges the Insurer an annual portfolio management fee to invest in the Nedgroup Investments unit trusts. This fee as well as permissible unit trust deductions is not deducted from your product account but is included in the published unit price of your selected unit trust portfolio. The fee may be fixed or performancerelated and changes for each unit trust portfolio and for each unit class.

All annual portfolio management fees are calculated and accrue daily, based on the market value of your investment at the end of each day.

8.3 Annual financial planning fee options (where applicable)

A. UNIT PRICE
Investors in our unit trust portfolios may have agreed to the payment of an annual financial planning fee whereby such annual financial planning fee is included in the annual portfolio management fee as part of the published unit price of their unit trust portfolio. This option is no longer available for any unit trust portfolio accounts opened from 01 January 2019.

OR

B. SALE OF UNITS
You may agree to the payment to your financial planning business of an annual financial planning fee, subject to prescribed maximums, whereby such annual financial planning fee is recovered through the sale of units and paid monthly, by filling in the relevant section on the form.

Accrued annual financial planning fees will be recovered and paid to your financial planning business before processing a full withdrawal or switch instruction in respect of each of your selected unit trust portfolios. You will get a statement at least annually showing the units sold to pay the annual financial planning fee.

8.4 Value Added Tax (VAT)
Where appropriate, VAT will be added to the fees or charges on your product account.

8.5 Effective Annual Cost
All fees disclosed in clause 8.1 – 8.4 above, as well as permissible unit trust deductions, are reflected as your Effective Annual Cost. Your Effective Annual Cost is a calculation that projects the fees and costs deducted from your investment as a percentage of its value over time. This allows you to compare the charges you will incur across different financial products. If you would like to calculate your Effective Annual Cost, please register your investments online via our secure website and login into your secure online account.

8.6 Changes to fees and charges
The fees and charges mentioned above may change. We or the Insurer will give you three months' written notice when:

- new or additional fees or charges are added;
- the applicable fee percentage is increased; and
- there is a change in the method of calculating any fee which leads to an increase in fees.

For more information about the fees and charges, contact our Client Service Centre, visit our secure website or contact your financial planning business.

8.7 Reporting of fees
Your policy investment statement will show the fees you will pay on your policy, except for the fees mentioned above that are included in the price of the units in your selected unit trust portfolio.

9. When can you get your money back?

9.1 On request
Your selected annuity income will be paid at your chosen payment frequency. You may request to be paid monthly in arrears or quarterly, biannually or yearly in advance. You are required to take a minimum of one payment per tax year.

9.2 Withdrawals
You may ask for, or the Insurer may insist, withdrawal of the full market value of the policy and have it paid to you as a lump sum if the value is less than an amount set out in legislation.

9.3 In the event of your death
On notification of your death your investment will not be switched to cash but will remain invested. We must be told of your death in writing as soon as possible. The letter to us must include:

- your personal details;
- your identity number;
- a certified copy of your death certificate;

- your product account number; and
- your investor number.

Your beneficiaries will receive the death benefit after your death. Subject to the requirements of the regulatory authorities and/or legislation, your beneficiaries who are natural persons may choose to have the benefit paid in one of the following ways:

- The full amount is used to buy an annuity in the name of the beneficiary.
- The full amount is paid as a cash lump sum.
- A combination of a cash lump sum and an annuity is paid.
- If payment of an annuity is selected, the annuity may be purchased from any registered long-term insurer or such other annuity provider as allowed by legislation.

If the beneficiary is not a natural person, (this includes a trust), a cash lump sum will be paid to that beneficiary.
If there are no beneficiaries, or all beneficiaries are predeceased, a lump sum may be paid to your estate, subject to the requirements of the relevant
legislation.

The amount available after finalising the death claim, after deducting fees and charges payable, will be paid as selected once all processing and regulatory requirements have been met.

10. Which laws apply to this investment agreement?

This investment agreement is governed by the laws of South Africa – a number of which may apply to this investment agreement. The most important are:

The Long-term Insurance Act and the Insurance Act
This Acts controls the administration of long-term insurance policies by insurers and policy benefits provided by them.

The Collective Investment Schemes Control Act
This Act controls the administration of collective investment schemes and its unit trust portfolios. It must be read with the relevant collective investment scheme deed.

Exchange Control Regulations
The availability of certain Unit Trust Portfolios is subject to these regulations.

Financial Intelligence Centre Act
This Act requires financial services providers to establish client identity and obtain information that will assist them in 'knowing your clients' before accepting your investment instruction to prevent money laundering and terrorist financing.

Financial Advisory and Intermediary Services Act
This Act controls the activities of anybody who gives advice or provides intermediary services to investors about certain financial products. It requires that such persons be licensed and that professional behaviour be controlled through codes of conduct.

Income Tax Act
This Act applies where we refer to taxation. Changes to or replacements of any applicable law may change the terms and conditions of this investment agreement.

11. How do you contact us or the Insurer?

We welcome any feedback about our services. Please see our full contact details on the last page of this investment agreement.

The Insurer can be contacted at:

135 Rivonia Road
Sandown
Sandton
2001

PO Box 1144
Johannesburg
2000

Tel: +27 (0)86 033 3111

Email: insurance@nedbank.co.za

12. Who do you complain to?

If you are not satisfied with our product or services or believe your personal information is not being processed in accordance with legal requirements, and wish to make a complaint, please write to our complaints officer at our address, or alternatively email your complaint to complaints@nedgroupinvestments.co.za. Please mark your communication as a complaint and include all relevant documentation. We will acknowledge receipt of your complaint and where possible resolve the complaint as efficiently and effectively as possible. Please refer to our website or contact us for further details of our complaint process and a copy of our complaint policy.

If you are not satisfied with the response, regarding our products and services you can contact the National Financial Ombud Scheme to help you. The contact details are:

Tel: 0860 800 900 / +27 (0) 66 473 0157

Email: info@nfosa.co.za

Website: https://nfosa.co.za/

If you are not satisfied with our response and still believe your personal information is not being processed in accordance with legal requirements you can make a complaint to the Information Regulator. Complaints may be submitted via the eService Portal.

If you are not satisfied about your financial planner's advice in respect to your policy, you may contact the Ombud for Financial Services Providers to help you. The contact details are:

The FAIS Ombud

PO Box 41
Menlyn Park
0063

Telephone: (012) 762 5000 or 086 066 3274

Email: info@faisombud.co.za

Website: www.faisombud.co.za

Contact us

Phone:	0800 123 263 if you call from South Africa
	+27 21 412 2003 if you call from another country
Email:	clientservices@nedgroupinvestments.co.za

Our offices are located at

South Africa:	Nedbank Clocktower, Clocktower Precinct, V&A Waterfront, Cape Town, 8001
London:	12 Arthur Street, London, EC4R 9AB
Isle Of Man:	First Floor, St Mary's Court, 20 Hill Street, Douglas, Isle Of Man, IM1 1EU, British Isles