

## THE PRIME LIVING ANNUITY PLAN — PRODUCT INFORMATION DOCUMENT

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## 1. Definitions

### 1.1 The Administrator (we)

Global Fund Administrators (Pty) Ltd, an authorised administrative and discretionary Financial Services Provider (License no: 43521) responsible for the administration of your chosen investment.

### 1.2 Annuity Income

The annuity income which is payable to you from your Investment Account at the payment frequency specified.

### 1.3 Anniversary Date

The anniversary of the date on which the policy was first issued. Policies which are transferred from another Insurer will retain the same Anniversary Date.

### 1.4 Beneficiary

A natural person nominated by you to receive a benefit from the policy in the event of your death.

### 1.5 Business Day

A Business Day is any day other than a Saturday, Sunday or South African public holiday. In this document day and Business Day have the same meaning. We only operate on Business Days.

### 1.6 Collective Investment Schemes Management Company (Manager)

A registered Manager of Collective Investment Schemes (or "CIS") in terms of the Collective Investment Schemes Control Act 45 of 2002.

### 1.7 Hollard Life Assurance Company Limited

Hollard Life Assurance Company Limited is a registered insurer and an authorized Financial Services Provider. The Living Annuity Plan is underwritten by Hollard Life Assurance Company Limited in your name and on your life. Ownership of the underlying assets will vest with the Insurer and not the Investor.

### 1.8 Financial Advisor

A representative of an authorised FSP, who is authorised to provide advice and/or intermediary services and who has been appointed in such capacity by the Investor.

### 1.9 Investment Manager/s

Approved Financial Services Providers in terms of the Financial Advisory and Intermediary Services Act 37 of 2002, acting as the investment manager for one or more Portfolios offered on the investment platform.

### 1.10 Independent Nominee

Global Nominees (Pty) Ltd is an independent company approved by the FSCA that holds assets for your exclusive benefit.

### 1.11 Investment Account Numbers

You will receive a unique investment number when investing.

### 1.12 Investor (you)

The individual that invests in elected Portfolios via the Living Annuity.

### 1.13 Living Annuity

The Living Annuity is an investor-owned compulsory annuity policy, underwritten by Hollard Life Assurance Company Limited under the provisions of the Long-term Insurance Act, No.52 of 1998, as amended. The product is intended to provide a regular income to Investors who have retired.

### 1.14 Minimum Disclosure Document (MDD)

Is a document containing key information pertaining to your elected Portfolio(s).

### 1.15 Portfolio

Your chosen investment from the Portfolios on the available Portfolio List as amended from time to time.

### 1.16 Portfolio Supplement(s)

An addendum to this document containing relevant information pertaining to your elected Portfolio type.

## 2. Parties involved in this investment agreement

There are different legal entities that are party to this investment agreement. These are:

- The Investor(you)

- The Administrator (we)
- The Manager and/or Investment Manager
- Hollard Life Assurance Company Limited
- Global Nominees.

### 3. Which documents and information will you need to provide and/or reference with respect to your investment?

- Your initial application form
- MDD(s)
- Product Information Document
- Portfolio Supplement(s)
- Verified FICA documentation
- Your proof of banking details not older than 3 months
- Confirmation of tax registration number (SARS).

### 4. Important information relating to the your Living Annuity

#### 4.1. Where is your money invested?

The Living Annuity allows for Portfolios to be purchased, sold and switched in accordance with these terms and conditions. Portfolios acquired under the Living Annuity will be held in the name of Hollard Life Assurance Company Limited or the Nominee Company, for your benefit. If held by the Nominee Company, the Nominee Company will maintain a register recording the beneficial ownership of all Instruments/Portfolios held in its name.

The Administrator performs all administration functions in respect to the Living Annuity.

#### 4.2. Monies which can be invested in a Living Annuity

Any monies invested in an approved Retirement Fund product is eligible to be invested into a Living Annuity when you retire from the Fund, subject to the rules of that Fund and any applicable legislation. This includes Pension and Provident Funds, Retirement Annuity Funds and Preservation Funds. Investments may be processed in the form of a transfer of Portfolio units if you are investing into the same Portfolios in which you are currently invested within your approved Retirement Fund investment account, and the unit transfer is permitted by the transferring Fund.

#### 4.3. Annuity Income level

A Living Annuity allows you to set your gross income level subject to constraints imposed by prevailing legislation. Current legislation requires that you select an Annuity Income of between 2.5% and 17.5% per year of the value of your Investment Account on the Anniversary Date of the policy. You can specify your annual Annuity Income as a Rand amount or as a percentage of your Investment Account value as at the policy Anniversary Date. The constraints imposed by legislation must be adhered to whether a Rand amount or a percentage is selected.

The Annuity is not guaranteed for the rest of your life, and will cease once the value of your Investment Account has reduced to zero. The level of income you select may be too high and may not be sustainable if:

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

It is your responsibility (in consultation with your Financial Advisor) to ensure that the income that you select is at a level that would be sustainable for the rest of your life. You need to carefully manage your Annuity Income drawdown relative to the investment return on your Portfolios in order to achieve this.

Years before your income will start to reduce		Investment return per annum (before inflation and after all fees)				
		2.50%	5.00%	7.50%	10.00%	12.50%
Annual income rate selected at inception	2.50%	21	30	50+	50+	50+
	5.00%	11	14	19	33	50+
	7.50%	6	8	10	13	22
	10.00%	4	5	6	7	9
	12.50%	2	3	3	4	5
	15.00%	1	1	2	2	2
	17.50%	1	1	1	1	1

It is important to note that the table above assumes that you will adjust your percentage income selected over time to maintain the same amount of real income (i.e. allowing for inflation of 6% per annum). Once the number of years in the table above has been reached, your income will diminish rapidly in the subsequent years.

Please ensure that your financial advisor has explained both the advantages and the risks of the Living Annuity and compared these against conventional annuities (where the insurer carries the full investment risk and the risk of you living longer than expected).

The table is a general guideline and should be considered taking into account each annuitant's 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.

#### **4.4. Specification of your Annuity Income amount and payment frequency**

At the inception of the policy you will be able to specify the Annuity Income amount you wish to receive for that year (from Anniversary Date for one year's time). You will also be able to specify how often you would like your Annuity Income to be paid, and may choose from a monthly, quarterly, bi-annual or annual payment. You may not defer the payment of your Annuity.

#### **4.5. Adjusting your Annuity Income amount and payment frequency**

You will not be able to adjust the Annuity Income level or payment frequency until the next Anniversary Date of the policy. You will receive an Annuity Income review notification before each Anniversary Date to this effect. In the event that you do not submit revised Annuity details for processing before the deadline date specified in the notification, the Annuity Income percentage and payment frequency as specified on the previous Anniversary Date will be applied, and may not be changed until the next Anniversary Date.

#### **4.6. Living Annuity tax application**

The capital investment in the Living Annuity is not subject to interest income tax, dividends tax or capital gains tax. Only the Annuity Income is taxed in your hands and is subject to individual tax rates. Income tax will be deducted from your Annuity Income before it is paid out to you, in accordance with the prevailing Income Tax legislation. Tax will be deducted according to the relevant SARS PAYE tax scales by default. Should you wish for a different tax rate to be applied, you may:

(a) Supply a tax directive from SARS to this effect. Please note that you will be required to apply for and provide a new directive for each tax year, running from March to February annually. Should you fail to do so, the normal tax table rates will be applied to any Annuity Income payment going forward.

OR

(b) You may elect a particular tax amount or rate, so long as this value is higher than the tax values prescribed by the prevailing tax tables. It is important to note that if you do this this value will remain in place until such a time that you instruct us differently or if the value you have elected falls below the prescribed tax tables limits at which point the tax deducted from your Annuity Income will default to the tax tables.

You will be provided with an income tax certificate to reflect any tax paid on your behalf.

#### **4.7. Investment of Additional Contributions**

You may invest additional monies into your Living Annuity, provided that it originates from a permissible source, as per 4.2.

#### **4.8. Transfer of an existing Living Annuity from another insurer to the Living Annuity**

The policy may be transferred from another insurer, subject to the provisions of Directive 135 and 135A issued by the Registrar of Long-term Insurance or any replacement thereof or supplement thereto. You will be required to conform with the current legislated Annuity Income limits should you wish to transfer to the Living Annuity. No Financial Advisor initial fees, initial administration fees or initial management fees may be charged on the transfer. You must ensure that you understand the actual and possible implications, costs and consequences of transferring your Living Annuity policy. This instruction may be processed in the form of a transfer of Portfolio units if you are investing into the same Portfolios in which you are currently invested within your existing Living Annuity Investment Account, and the unit transfer is permitted by the transferring insurer.

#### **4.9. Transferring your Living Annuity to another insurer**

You may transfer your Living Annuity to another insurer, subject to the provisions of Directive 135 and 135A issued by the Registrar of Long-term Insurance or any replacement thereof or supplement thereto. Any annual administration fees, Financial Advisor annual fees and Portfolio management fees owed will be deducted from the Investment Account before the transfer takes place. No Financial Advisor initial fees, initial administration fees or initial management fees may be charged on the transfer. You must ensure that you understand the actual and possible implications, costs and consequences of transferring your Living Annuity policy. This instruction may be processed in the form of a transfer of Portfolio units if you are investing into the same Portfolios in which you are currently invested within your existing Living Annuity Investment Account, and the unit transfer is permitted by the insurer to which you are transferring.

#### **4.10. Converting your Living Annuity to a Life Annuity**

You may convert your Living Annuity into a conventional life annuity administered by a Long-term insurer. This is typically a once off option, you may not reverse this decision and convert back to a Living Annuity again at a later stage. Any conversion which involves a transfer to another insurer will be subject to the provisions of Directive 135 and 135A issued by the Registrar of Long-term Insurance or any replacement thereof or supplement thereto. Any annual administration fees and annual Financial Advisor fees owed will be deducted from the Investment Account before the transfer takes place.

#### **4.11. Appropriate Investments**

It is important to note that investments held in your Living Annuity are made up of various types of assets classes such as equities, bonds, property or cash. These underlying assets have different levels of risks and returns associated with them. You and your financial adviser are therefore reminded to carefully consider the overall composition of your Living Annuity in terms of the exposure to these various

asset classes. 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 income.

Although there are no specific limits prescribed for Living Annuity investments, there are for preretirement investments done through any approved retirement fund. In order to protect a member's retirement savings, the Pension Funds Act regulates the maximum limits to the different asset classes that a retirement fund may expose itself to. These limits are there to give guidance to what may be considered prudent investment limitations. As a way to provide similar guidance to those with Living Annuities, it may therefore be useful to refer to these guidelines to assess the overall asset composition of your Living Annuity. However this should never be seen as a substitute for obtaining professional advice and does not take your specific personal circumstances into account.

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
- 10% to commodities like gold

This regulated exposure will 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. As a result, should your asset composition on your Living Annuity exceed these limits, you are encouraged to review your Living Annuity investment strategy, as your capital within your Living Annuity may be exposed to undue risk.

For further information regarding asset allocation / Portfolio composition please refer to your chosen investment Portfolio(s) MDD or consult your appointed financial advisor.

#### **4.12. Ceding of your Living Annuity**

The right to benefits under the Living Annuity may not be ceded or pledged.

#### **4.13. Cancellations and Cooling Off**

You cannot cancel the investment and there is no cooling off period.

#### **4.14. Guarantees**

The Administrator and/or the Life Insurer do not provide a guarantee on the investment value of your investment nor do they guarantee the performance of the Portfolios in your Investment Account. The market value of your Investment Account may fluctuate, and past performance is not necessarily a guide to future performance. You carry the investment and market risk which includes the possibility of losing capital.

## **5. What you must do?**

All instructions which are sent to us need to be in the prescribed format and must be accepted by the Administrator.

All instructions are subject to:

- The requirements of the Administrator, the Manager, Investment Manager and applicable legislation at the time of the transaction
- The availability of the selected Portfolios
- The processing requirements of the Administrator (this includes cut-off times and processing times)
- Minimum investment amounts specified by the Administrator, Manager and/or Investment Manager, applicable at the time of the transaction.

We may suspend, delay or reject your instruction should all requirements not be met.

#### **5.1. Provide accurate information**

You must ensure that all the information, instructions and supporting documentation that we receive from you is true and accurate.

#### **5.2. Use our instruction forms**

All the instructions which you submit to us must be completed on our latest forms. All our forms and supporting documentation are available on the website or from your appointed Financial Advisor.

#### **5.3. Make informed financial decisions**

Should you require financial advice, it is your responsibility to appoint a Financial Advisor and to negotiate the fees payable to him/her.

The Administrator, Manager and Investment Manager do not provide financial advice.

We may only give you information about our investment products and we may not give you advice on whether any of the investment products we offer is suitable for your risk profile and investment needs.

#### **5.4. Appoint or change your Financial Advisor**

You may appoint, change or remove your Financial Advisor at any stage by sending an instruction to the Administrator. We must inform

your Financial Advisor of the change. No further fees will be paid to the Financial Advisor after you have changed or removed him/her. Your appointed Financial Advisor must at all times be contracted with the Administrator and must be licensed correctly in terms FAIS.

#### **5.5. Select your Portfolio(s)**

You need to select one or more Portfolios that suit your risk profile and investment needs.

Based on the discretion of the Manager/Investment Manager, certain Portfolios may not be available at the time of your investment.

#### **5.6. Monitor your investment**

The reasons you invested or the financial situation you find yourself in may change. It is therefore important to monitor your Portfolio(s) regularly to ensure that your investment continues to evolve to meet your financial needs.

#### **5.7. Understand the implications of what it means to replace an existing financial product with this investment**

If this investment is a replacement (in 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. You will need to perform and assess the comparative Effective Annual Costs (EAC) of the transfer.

#### **5.8. Phase your investment into your selected Portfolio(s)**

A lump sum investment (initial or additional contribution) can be invested in an approved daily valued/traded Portfolio. This lump sum can then be phased in to one or more of our Portfolio(s) by means of a fixed instalment over a 3, 6 or 12 month term and is raised on the 15th day of each month. Phasing in is not applicable for debit order contributions.

This option may be subject to the minimums applicable at the time of the transaction and may (in certain cases) not be offered via your on-line transactional platform(s).

You must ensure that there is sufficient assets in your Portfolios not used for Phase-in's, to ensure that your annuity can be paid.

It's important to note that if you elect to phase in your initial cash lump sum investment that you ensure that you allocate a portion to your destination Portfolio(s) (the Portfolio(s) into which you are phasing) immediately at application stage to at least fund your first annuity payment. If you do not do this, your first annuity payment will fail resulting in you not receiving your expected Annuity Income.

Please refer to the relevant Portfolio Supplement(s) for any Portfolio specific restrictions with regards to phase-in instructions.

#### **5.9. Income distributions**

Portfolios may earn interest and dividends from the underlying assets. This is declared as an income distribution if the interest and dividends exceed the total Portfolio's expenses. If the total expenses are more than the income earned, the Portfolio will not make a distribution.

The distribution can be monthly, quarterly, bi-annually or annually depending on the Portfolio(s) you have selected and will be automatically reinvested..

Please refer to the relevant Portfolio Supplement(s) for any Portfolio specific information with regards to income distributions.

#### **5.10. Switch between Portfolios**

You may switch between the available funds on the investment platform. A switch entails a sale of units from one fund and a purchase of units into another fund. Please note that should you request to switch an amount in excess of 90% of the value of your Portfolio, a unit switch will be processed.

In order for the switch to be processed a Switch Instruction Form must be fully completed and submitted to the Administrator.

#### **5.11. Manage your expense account Portfolio**

You may choose to have your Annuity Income and all expenses deducted from a nominated expense account Portfolio. It is important that you or your elected Financial Advisor ensure that there is sufficient funds available in your expense account Portfolio at all times, as failure to do so will cause an automatic proportionate deduction from your other elected Portfolios to fund your Annuity Income and any other relevant fees.

#### **5.12. Withdrawals prior to retirement**

You may not withdraw from your Living Annuity policy unless the value of the Investment Account is below a legislated minimum amount, in which case a full withdrawal may be requested.

#### **5.13. Nomination of Beneficiaries**

You may nominate one or more natural persons (primary and secondary) to receive any benefits that may be payable on your death, subject to the acceptance of the Administrator. It is important to keep your Beneficiary nomination up to date as benefits will be paid to the last Beneficiaries on record prior to the your death.

The primary beneficiary is the person that is first in line to receive the proceeds in the event of the death of the Investor.

A secondary beneficiary is the alternative choice to receive the proceeds if the primary beneficiary is deceased, (cannot be located or refuses the inheritance at the time the proceeds are to be paid).

#### 5.14. Respond to requests for information

We may request information from you from time to time to comply with legislation and to manage your investment efficiently. You must respond to our requests within the time periods provided by us.

#### 5.15. Report Errors

You have 14 days after the receipt of the transaction confirmation and/or Investor statement to report any errors to the Administrator.

#### 5.15. Inform the Administrator of a change in bank or contact details

It is imperative that you inform us of any changes in your bank or contact details, including your postal address and email address and Domicilium address (all supporting documentation where applicable must be provided).

## 6. What we do for you?

#### 6.1. Act with honesty and integrity

We will act with due care, diligence, honesty, fairness and integrity in all our dealings with you.

#### 6.2. Identify you and confirm your identity

The Administrator is an accountable institution in terms of the anti-money laundering legislation and must therefore comply with the Financial Intelligence Centre Act (FICA) requirements.

We will take reasonable steps to verify your identity (and the person(s) acting on your behalf), your normal or temporary address, source of wealth and funds before a transaction is entered into or a business relationship is concluded with you. This is referred to as "Know your Customer" (KYC).

We use the information that you complete in your initial application to identify you and we ask you to send us supporting documentation to confirm the information you give us. A list of the supporting documentation required is included in each application.

We may request from time to time that you provide us with proof of information you have provided previously in order to confirm your details have not changed.

We reserve the right to request any additional evidence to identify the source of this investment. In so doing, we will confirm whether the monies deposited in the investment account were obtained from legitimate sources. When providing the afore mentioned evidence, you will be required to comply with the prevailing legislation including, but not limited to anti-money laundering and income tax legislation.

#### 6.3. Accept, suspend, delay or reject your instructions

The Administrator may accept, suspend, delay or reject your application or any subsequent instructions. A transaction may also be reversed if the Administrator believes the circumstances substantiate it.

#### 6.4. Process instructions received by you

The Administrator is responsible for processing your instructions and we will only do so once all supporting documentation has been received and all requirements have been met.

Please refer to the relevant Portfolio Supplement(s) for the applicable timelines.

#### 6.5. Phase-ins

Phase-ins are processed on the 15th day of each month. If the 15th is not a business day it will take place on the next business day. The Administrator needs to receive the instruction by 14:00 five days before the scheduled phase-in day. Any instructions received after the cut-off date will be processed the following month. Please refer to the relevant Portfolio Supplement(s) for any Portfolio specific restrictions with regards to Phase-in instructions.

#### 6.6. Processing order of multiple instructions involving the same Portfolio

If the Administrator receives an instruction while another instruction is in progress, the second instruction may be delayed until such time that the first instruction is complete.

#### 6.7. Allocate bank interest earned

Bank interest earned on deposits made by you will be added to the investment amount if it is in the bank account for more than 24 hours.

#### 6.8. Communicate with you

We will communicate with you to provide you with important information. These include the following:

- Confirmation of your investment application
- Confirmation of changes made on your investment
- Quarterly investment statements
- Annual tax certificates
- Notices on events that affect your investment.

Where you have appointed a Financial Advisor, and you have authorised us to do so, we will provide the Financial Advisor with electronic



access to such statements and to tax certificates furnished to you. You may contact us or your Financial Advisor to request this information or other information you may require about your investment.

We will send all communications via email unless you have specifically requested that we post these to you.

It's important to note that if you have invested via an on-line transactional platform(s), investment statements will be made available, via that platform and will not be distributed via email.

In support of the environment, we will distribute all relevant communications electronically via email. You accordingly indemnify us for the security of information sent to you via email at your request, for the proper and complete transmission of the information contained in the email and for any delay in its receipt.

#### **6.9. Close a Portfolio**

The Administrator may close a Portfolio for new investments at any time at which point we may request that you select an alternate Portfolio to switch into.

#### **6.10. Maintain professional and fidelity insurance**

We are insured against fraud, negligent or dishonest behaviour.

### **7. What we don't do?**

#### **7.1. Financial Advice**

The Administrator does not provide financial advice.

We may only give you information about our investment products (of a factual or administrative nature) and we may not give you advice on whether any of the investment products we offer is suitable for your risk profile and investments needs.

You must not rely on any written, spoken or implied communication from us as investment advice, or recommendation to invest in or change your investment.

By selecting one of our investment products, you make an independent decision to enter into an investment which meets your financial and investment needs, whether those needs have been identified using your own judgment or through financial advisors. We have in no way, be it written, spoken or implied, recommended your choice of investment and the information and explanations relating to the terms of your investment are in no way to be considered investment advice.

In making your investment choice, we are indemnified and held harmless against any claim which may arise when you conduct business telephonically, by way of facsimile or via online services, including email. We will take any and all deemed and necessary security precautions to ensure that you can proceed with your chosen investment application.

#### **7.2. Guarantees**

We do not provide a guarantee on the investment value of your investment nor do we guarantee the performance of them.

The market value of investments may fluctuate, and past performance is not necessarily a guide to the future. Your investments are generally medium to long term investments. You carry the investment and market risk which may include the possibility of losing capital.

#### **7.3. Losses incurred**

By submitting an investment application or instruction to the Administrator, you accept the risks associated with email or fax communication and understand that the Administrator shall not be liable for all and any losses that you may incur, in the event that the Administrator has not received your communication, whether due to the failure, malfunction or delay of any networks or electronic or mechanical device or otherwise. The Administrator will not be liable to make good or compensate you or any third party for any damages, losses, claims or expenses resulting from undelivered communication.

Other losses that the Administrator will not be responsible for are as follows:

- Any changes in tax or other legislation.
- The investment or market risk of the underlying investments.
- Financial Advisors acting beyond the scope of their FSCA license.
- If your Financial Advisor does not comply with the Financial Intelligence Centre Act (FICA). A rejection of an application or a delay in processing as a result of a Financial Advisor not being an authorised Financial Services Provider or not having a contract with us.
- If an unauthorised instruction is received from your appointed Financial Advisor.
- Providing your Financial Advisor with details about your investment whether via telephone, fax, email or via the dedicated web front end secured investment portal.
- Acting on information that is outdated or incorrect where you have failed to notify us of any changes to your information.
- We do not accept responsibility for delays in processing instructions as a result of extraordinary events that cause disruptions. We will carry out instructions at the earliest possible opportunity subject to legislation and our administration procedures and Portfolio limitations.



- The delayed sale of some or all of your investment due to ring-fencing. 'Ring-fencing' is the separation and delayed sale of units in a Portfolio. It is caused by the large sale of units above a certain threshold in a Portfolio. Ring-fencing makes sure that the sale of a large number of units will not force the Manager to sell the underlying assets at a price which could negatively affect Investors in the Portfolio. We may delay the payment or reinvestment of the proceeds of the sale of units.
- We are duly authorised to accept instructions by facsimile or email and you accordingly waive any claim you may have against us and indemnify us against any loss incurred as a result of our receiving and/or acting upon such communication.
- We will not be held responsible for any failure, malfunction or delay of any networks or electronic or mechanical device or any other form of communication used in the submission, acceptance and processing of application and/or transactions. We will not be liable to make good or compensate any Investor or third party for any damages (whether direct or consequential), losses, claims or expenses resulting there from.

## 8. What Fees and Charges do you pay?

There are different types of fees that are levied on your investment that will reduce the underlying value of your investment.

The fees are different across the range of Portfolios as well as the class of Portfolio. Therefore the Portfolio and class of Portfolio you choose will determine the ultimate fees that you pay.

All fees and charges applicable to your elected Portfolios can be found in the applicable MDD.

The types of fees that could be levied are as follows:

### 8.1. Initial Management Fee

Certain Managers may charge an initial fee on your investment, including on switches into an Investment Portfolio.

### 8.2. Annual Administration Fee

The annual administration fee will be dependent on your Portfolio selection.

The fee is levied monthly in arrears by deducting units from your underlying holdings to the value of the fee owed. The fee is deducted proportionally from the Portfolios held within your investment unless you have an expense account.

### 8.3. Financial Advisor Initial Fee

If you and your Financial Advisor agree to an initial Financial Advisor fee (as indicated in the application or any other written communication accepted by the Administrator), we will deduct the agreed amount from the investment before the investment is made.

### 8.4. Financial Advisor Annual Fee

If you and your Financial Advisor agree to an annual Financial Advisor fee (as indicated in the application or any other written communication accepted by the Administrator), we will deduct the fees by selling units from the Portfolio and pay the amounts to the Advisor monthly.

### 8.5. Value Added Tax

Where appropriate, VAT will be added to the fees or charges on your investment.

### 8.6. Switching Fee

No fees are charged when you switch between investments.

### 8.7. Reporting of Fees

Your investment statement will show the explicit fees that are charged on your investment, except for the annual management fees mentioned above that are included in the unit price of the investment Portfolios.

### 8.8. Portfolio Management and Transaction Costs

Managers charge annual management fees, which are incorporated into the daily unit price of the Portfolio. These fees vary across the range of Portfolios as well as the class of Portfolio, therefore the Portfolio you choose will determine the fees which you incur.

All fees and charges applicable to your selected Portfolio(s) can be found in the applicable Portfolio Supplement(s) and/or MDD(s).

## 9. On death of the Investor

### 9.1. Notification of death

The Administrator must be notified of your death in writing. The following information must be included in the notification:

- A certified copy of the deceased's ID document
- Personal details of the deceased, including identity number and age
- A certified copy of the death certificate
- The deceased's Investment Account numbers
- A certificate copy of marriage certificate if the deceased was married in community of property or anti-nuptial contract with the accrual.

On receipt of the required documentation from all Beneficiaries, the death claim will be processed at the market price of each

Portfolio at that date. Any portion of the death benefit taken as a cash lump sum will be subject to tax at the marginal tax rate of the Beneficiary.

### 9.2. Parties who are entitled to a portion of the death benefit

The Administrator will allocate any benefit due to the nominated Beneficiaries as specified on the policy. A Beneficiary nomination shall be of no force and effect if the Beneficiary predeceases the Investor. Should there be no Beneficiaries on record any benefit will be paid to the deceased estate of the Investor, in accordance to the requirements of the relevant legislation. The Administrator will not accept any amendments to your nominated Beneficiaries after your death regardless of the date of signature on the nomination.

### 9.3. Death benefit

The death benefit is the value of your investment, less any applicable charges and fees, at the time of the processing of the death claim. Each of your Beneficiaries may choose from the following options with regards to their share of the death benefit, subject to the requirements of the relevant authorities and with the agreement of the Administrator:

- The death benefit may be used to purchase a Living Annuity from the Administrator or a Living Annuity or life annuity from another insurer under the Long-term Insurance Act, No 52 of 1998.
- The death benefit may be paid out as a cash lump sum, where permitted by the relevant authority. Legislation requires that this process take place within 6 months of the death of the Investor.
- The death benefit may be taken as a combination of an annuity purchase and a cash pay-out.
- The death benefit may be used to purchase an accelerated annuity to be paid over a minimum term of 5 years. For minors the minimum term will be greater of 5 years or the number of years to the age of 18.

## 10. Unclaimed Benefits

The following steps will be taken by the Administrator in order to trace the Investor or the Beneficiaries should the Annuity payments or death benefit remain unclaimed:

- 10.1. The Administrator will trace the Investor or Beneficiaries within 6 months of an Annuity payment or death benefit becoming payable, and remaining unpaid.
- 10.2. If the Investor or Beneficiary cannot be traced as per 10.1, the Administrator will repeat the tracing process once within a three-year period.
- 10.3. If the Investor or Beneficiary cannot be traced as per 10.2 the Administrator will repeat the process within 10 years of the Annuity or death benefit becoming due.
- 10.4. If, after 10 years, the Administrator cannot trace the Beneficiaries or Investor, an external tracing company will be used. Any reasonable administrative and tracing costs incurred after the first attempt to trace the Investor or Beneficiary will be recovered from the unclaimed assets. This requirement will be waived if the assets are worth less than the minimum amount stipulated by legislation and the cost of tracing exceeds the amount payable.
- 10.5. If the Investor or Beneficiary has not been located by the time they attain the age of 100 years, the Administrator will release assets from the reserve account backing the unclaimed assets. These assets will be invested in socially responsible initiatives that earn a reasonable commercial rate of return.
- 10.6. It is the responsibility of the Investor to ensure that all contact information is current and recorded by the Administrator.
- 10.7. The Administrator may charge any reasonable direct, administrative, management and tracing fees on any unclaimed assets, thereby reducing the benefits payable.

## 11. Legislation which governs the Living Annuity

The following are some of the main Acts and Regulations that govern your investment and the parties to this investment agreement. Amendments to or replacement of the legislation and directives issued by regulatory authorities may change the terms and conditions of your investment.

### A. The Long-term Insurance Act

Living Annuity Products are governed under this act.

### B. The Collective Investments Schemes Control Act

This act regulates the administration of Collective Investment Schemes and its Portfolios.

### C. Income Tax Act

This act applies where we refer to taxation.

### D. Exchange Control Regulations

The availability of certain Portfolios is subject to these regulations.

### E. Protection of Personal Information Act

This act regulated the usage and distribution of Personal Information.

## 12. How does the Protection of Personal Information Act 4 of 2013 (POPIA) affect your investment?

- 12.1.** In order for us to meet our responsibilities to you as an Investor, we will at times need access to your personal information (as defined in POPIA).
- 12.2.** Access to your personal information will be made available solely for the purpose of administering and/or servicing your chosen investment(s). Utilising this information, we will take the following actions:
- 12.2.1.** Processing of this application
  - 12.2.2.** Processing of any subsequent instructions submitted to us
  - 12.2.3.** Communicating with you on matters pertaining to your investment
  - 12.2.4.** Providing you with further information, which may include but not be limited to quarterly investment statements, annual tax certificates (where applicable), transaction confirmations etc.
- 12.3.** Depending on your choice of investment(s), we may be required to share your personal information across borders. This will only occur when we need to administer and/or service your investment(s) and these functions have been outsourced to offshore service providers.
- 12.4.** When transferring your personal information outside the borders of the Republic of South Africa, we will only facilitate transfers to countries that have similar privacy laws to that of the Republic of South Africa or countries where such facilities are contractually bound to privacy regulations which are not less than those imposed by POPIA.
- 12.5.** In terms of POPIA, you have the right to object at any time to the processing of your personal information in the prescribed manner on reasonable grounds relating to your particular situation. Such objections will only be set aside if legislation specifically provides for the processing of your personal information in your given situation. On receipt of any objections, we will put a hold on any further processing of your personal information until the objection has been resolved.
- 12.6.** You have the right to lodge a complaint to the Information Regulator.
- 12.7.** You have the right to at any time request that we provide you with details concerning your personal information which we may hold, including the identities of all third parties who have or had access to such information.
- 12.8.** POPIA requires that you provide us with personal information which is complete, accurate and up to date. Whilst we will use our best endeavours to ensure that your personal information is reliable, it will be your responsibility to advise us of any changes to your personal information as and when these may occur.
- 12.9.** We may use your personal information for the promotion of our other products.

## 13. Administrator and Insurer Contact Details

### Global Fund Administrators (Pty) Ltd (Administrator)

 <b>Physical Address:</b>	1 <sup>st</sup> Floor, Building B, Hurlingham Office Park, 59 Woodlands Ave, Hurlingham Manor, Sandton, 2196
 <b>Tel:</b>	+27 (0)10 594 2100
 <b>Email:</b>	save@primeinvestments.co.za
 <b>Website:</b>	www.primeinvestments.co.za

### Hollard Life Assurance Company Limited (Insurer)





 <b>Physical Address:</b>	22 Oxford Road, Parktown, Johannesburg, 2193
 <b>Tel:</b>	0860 202 202
 <b>Email:</b>	customercare@hollardinvestments.co.za
 <b>Fax:</b>	+27 (0)11 351 3816

## 14. Complaints

If you are not satisfied with the service provided to you and you wish to make a complaint, please send a written communication to the Head of Operations using the contact details supplied above. Please remember to include all supporting documents. The Administrator will acknowledge the complaint in writing and will inform you of the contact details of the person who will be assigned to resolving your complaint.

If you are not satisfied with the response from the Administrator, or if your complaint relates to the advice provided to you by a Financial Advisor in respect of this investment, you can write to the Ombudsman.




### The Long-term Insurance Ombudsman

-  Postal address: Private Bag 45 Claremont 7735
-  Tel: (021) 657 5000
-  Sharecall: 0860 103 236
-  Fax: (021) 674 0951

### The Ombudsman Financial Services Providers

-  Postal address: PO Box 74571 Lynnwood Ridge 0040
-  Toll-free: 0860 324 766
-  Email: [info@faisombud.co.za](mailto:info@faisombud.co.za)

### The Information Regulator

-  Tel: (012) 406 4818
-  Fax: 086 500 3351
-  Email: [infoereg@justice.gov.za](mailto:infoereg@justice.gov.za)