

ALEXANDER FORBES INVESTMENTS NAMIBIA LIMITED

(REG. NO 99/228)

**Alexander Forbes House
27 Fidel Castro Street
Windhoek
Namibia**

LINKED UMBRELLA FUND POLICY DOCUMENT

(Including Policy Terms and Conditions)

Alexander Forbes Investments Namibia Limited hereby issues this Linked long-term insurance Policy on the terms and conditions set out in this Linked Fund Policy (*Policy*). By signature of the execution clause in Section A, the *Parties* hereto, being Alexander Forbes Investments Namibia Limited and the *Fund* accept and bind themselves to the terms and conditions of this *Policy* as set out in Section B, including the appendices hereto.

Alexander Forbes Investments Namibia Limited shall provide *Policy Benefits* to the *Fund* in terms of this *Policy*.

Policy Number

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Alexander Forbes Investments **Namibia Limited**

(Registration Number:99/228)

Business Address:

Alexander Forbes House

27 Fidel Castro Street

Windhoek

Namibia

Tel No. +264 61 293 7101

Fax No. +264 61 378 679

Website: www.alexanderforbesinvestments.com.na

Email: AFInvestNamibia@alexforbes.com

Version: 01 October 2024

Initials	
Policy Holder	Alexander Forbes Investments

A INVESTMENT SCHEDULE

FUND AND PORTFOLIO DETAILS

1. FUND

Name: Alexander Forbes Namibia Retirement Fund (Pension Section)

Participating Employer: _____

Registration number: _____

Approval number: _____

Fund Year End: _____

Registered address of the *Fund*

Physical address: _____

Postal address: _____

Addresses for hand delivered and posted communications
(if not the same as registered address)

Physical address: _____

Postal address: _____

Email address: _____

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Responsible person:
(or otherwise as advised to AFInvestadmin@aforbes.co.za from time to time)

Name: _____

Designation: _____

Email address: _____

Telephone number: _____

Facsimile number: _____

**Fund's bank account details:
(for all payments to the Fund)**

Please provide copy of Fund's bank statement

Bank: _____

Branch: _____

Branch number: _____

Account number: _____

2. FUND CONSULTANT

(Should the Fund terminate the Consultant's appointment, and/or replace him/her with another Consultant, the Fund must immediately send an email to AFInvestadmin@alexforbes.co.za.)

Name: _____

Physical address: _____

(for hand delivered
communications) _____

Postal address: _____

Responsible person:
(or otherwise as advised to AFInvestadmin@alexforbes.co.za from time to time)

Name: _____

Designation: _____

Email address: _____

Telephone number: _____

Facsimile number: _____

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3. APPOINTED ADMINISTRATOR OF FUND'S AFFAIRS
(Should the Fund terminate the Administrator's appointment, and/or replace him/her with another Administrator, the Fund must immediately send an email to AFInvestadmin@alexforbes.co.za)

Name: _____

Physical address: _____

(for hand delivered communications) _____

Postal address: _____

Responsible person:
(or otherwise as advised to AFInvestadmin@alexforbes.co.za from time to time)

Name: _____

Designation: _____

Email address: _____

Telephone number: _____

Facsimile number: _____

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4. INVESTMENT PORTFOLIO SELECTION

(The initial Portfolio choice and percentage of cash flow to be invested/redeemed from each Portfolio. In this context, “redemption” is to be taken as meaning the cash outflow from the Fund to meet benefit payments and expenses. The columns must total a 100% and must reflect all Portfolios currently invested in).

A minimum initial premium of N\$5 000 000.00 (five million Namibian Dollars) is required in respect of all Portfolios

Investment Portfolio	Code For office use only	Initial Investments N\$ or %	Ongoing Investments	Ongoing Redemptions
Namibian Banker	1990			
AF Namibia Balanced Growth	3224			
AF Namibia Conservative Growth	3225			
AF Namibia High Growth	3226			
AF Namibia Moderate Growth	3227			
AF Namibia Protector Portfolio	4165			
Namibia Performer ¹	4257			
Alexforbes Namibia Navigator ¹	4575			

Alexander Forbes Investments gives no guarantee and makes no representation regarding the investment returns of any of the Portfolios and the appropriateness or suitability of investing in any of the Portfolios and records that the amount of the Policy Benefits is to be determined solely by reference to the value of the Categories of Assets actually held by Alexander Forbes Investments in the Nominated Portfolio or the Nominated Portfolios for the purposes of this Policy.

Alexander Forbes Investments at all times acts as an insurer. The Fund will take particular care in considering whether any Portfolio is appropriate for its circumstances.

The value of any Policy Benefits or Consideration may increase or decrease as a result of changes in the values of the underlying investments and any past investment returns or portfolio benchmark returns are not necessarily indicative of or a guarantee or warranty of any future investment returns.

Key:	
1.	Combined Portfolio which contains an offshore allocation.
Notes:	
1.	The total of the aforesaid selected Portfolios must equal 100%.
2.	Should the default Portfolio not be available or should any Portfolio that you have selected be capped or closed to new or recurring business, the money will be invested in the Namibian Banker Portfolio pending a new investment instruction from you.

- 5. Commencement Date: _____
- 6. Term/duration of the Policy: until surrendered in terms of Section B, Clause 8.2 or terminated in terms of Section B, Clause 8.4.
- 7. Statutory disclosures by Alexander Forbes Investments:
As set out in Appendix 2
- 8. Warranty
The signatories of this Policy warrant that they are duly authorised to sign this Policy.

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FOR POLICYHOLDER

FOR ALEXANDER FORBES INVESTMENTS NAMIBIA
LIMITED

NAME OF SIGNATORY

NAME OF SIGNATORY

CAPACITY OF SIGNATORY

CAPACITY OF SIGNATORY

DATE

DATE

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B. TERMS AND CONDITIONS LINKED FUND POLICY

RECORDAL

The *Parties* to this *Policy* record that:

- *Alexander Forbes Investments Namibia Limited (herein referred to as Alexander Forbes Investments)* is a registered long-term insurer and the *Fund* is a fund as defined and contemplated in terms of *the Long-term Insurance Act*.
- *Alexander Forbes Investments* undertakes in return for a *Premium* to provide *Policy Benefits* to the *Fund* for funding in whole or in part the *Fund's* liability to provide benefits to its *Members* in terms of the *Rules*.
- *Alexander Forbes Investments* issues linked fund policies as defined and contemplated in *the Long-term Insurance Act*.
- The amount or value of the *Policy Benefits* to be provided by *Alexander Forbes Investments* is not guaranteed and is determined solely by reference to the value of particular *Assets* or *Categories of Assets*, which are specified in the *Policy* and are actually held by *Alexander Forbes Investments* specifically for the purposes of the *Policy*.
- Notwithstanding any undertaking to setup or maintain a *Portfolio* compliant with the investment limitations prescribed for a *Fund* in terms of the *Pension Funds Act*, *Alexander Forbes Investments* does not guarantee that there will not be a breach of the prescribed investment limitations in respect of any of its *Portfolios*. *Alexander Forbes Investments' sole liability to the Fund* for breaches will be to report the breach to the *Fund* and to, in accordance with the provisions of the prescribed investment limitations and its standard internal practice at the time of the breach, align the *Portfolio* to the prescribed investment limitations.
- *Alexander Forbes Investments* holds its *Assets* in *Portfolios*. In the design and construction of these *Portfolios*, *Alexander Forbes Investments* follows a multi-manager approach. *Alexander Forbes Investments* reviews various investment managers and thereafter selects, appoints and monitors *the Investment Managers* and thereby blends their different skills, styles and approaches into unique investment portfolios.

1. DEFINITIONS

1.1 Italicised words throughout this document indicate defined words and expressions. Unless the context clearly indicates otherwise, the following words and expressions when printed in italics shall have the following meanings assigned to them below:

Alexander Forbes Investments: means Alexander Forbes Investments Namibia Limited, a company duly incorporated and registered in terms of the company laws of Namibia with registration number: 99/228.

Assets: means any asset, investment, whether listed on any recognised exchange or not and includes a claim as a beneficiary against the trustee of any trust, any *Non-Listed Asset* and any *Non- Liquid Asset*, available for investment in terms of appropriate legislation.

Business Day: means every day except a Saturday, Sunday or an official public holiday in Namibia.

Calendar Month: means the period from the first day of a month to the last day of that month, both days inclusive. For clarity purposes this means that any notice given within a particular month, will only become effective from the first day of the successive month.

Cash Value: means the sum of

- (i) *the Interests of the Fund* in all the *Nominated Portfolios*, plus
- (ii) *Investment Amounts* received by *Alexander Forbes Investments* but not yet invested in the *Nominated Portfolio*, plus
- (iii) interest due to the *Fund*, plus
- (iv) any other cash and/or other assets not mentioned above to which the *Fund* is entitled to and which have been received by *Alexander Forbes Investments*, but not invested in the *Nominated Portfolio*, less

any *Policy Fees* and expenses which may be due and payable to *Alexander Forbes Investments*, but not yet debited to the *Fund's Account*.

Categories of Assets: means the categories in which *Alexander Forbes Investments* arranges its *Assets* from time to time, including but not limited to local and global equities, bonds, cash immovable and movable property, alternative investments, claims against other *Persons* and other revenue.

Commencement Date: means the date stipulated as such in the *Investment Schedule*.

Consideration: means the amount of cash to be paid or *Assets* to be transferred or delivered or the combination of

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the amount of cash to be paid or Assets to be transferred or delivered by *Alexander Forbes Investments* to the *Fund* upon partial or full surrender of the *Policy*.

Expenses: means, but not limited to, all brokerage, taxes, levies, custodian fees, bank fees and other reasonable investment management related expenses or charges actually incurred by *Alexander Forbes Investments* or an *Investment Manager* pursuant to the management of a *Portfolio* and shall include investment management fees payable by *Alexander Forbes Investments* to an *Investment Manager* in respect of the management of *Assets* in a *Portfolio*, identified as a relevant *Portfolio* in the *Policy Fee* or *Participating Employer Schedules* which investment management fees will not be payable by *Alexander Forbes Investments* from its *Policy Fees*.

Fund: means the friendly society, pension fund organisation, medical scheme, permanent fund or other person, arrangement or business prescribed by the *Registrar* as a fund as contemplated and defined in the *Long-term Insurance Act* and as stipulated in the *Investment Schedule*.

Fund's Account: means the internal administration account maintained by *Alexander Forbes Investments* in respect of this *Policy*.

Interest of the Participating Employer in a Nominated Portfolio: means the number of *Units*, which *Alexander Forbes Investments* allocates from time to time to the *Participating Employer* in respect of any *Nominated Portfolio* multiplied by the *Unit Price* of the relevant *Nominated Portfolio*.

Investment Amount: means the amount equal to the value of the *Premium* less costs, expenses, disbursements, taxes and levies (if any) debited to the *Fund's Account*. and the *Participating Employer Account*.

Investment Manager: means any person or institution registered or approved by the regulatory authorities in terms of any applicable legislation from time to time, including, but not limited to the *Stock Exchanges Control Act 1 of 1985*, or a registered insurer or a unit trust registered in terms of the *Long-term Insurance Act* or *Unit Trust Control Act 54 of 1981* respectively or their successors, and includes any foreign person or institution duly authorised in terms of any legislation applicable in the country of its domicile and/or registration, while such person or institution has been appointed by *Alexander Forbes Investments* as its *Investment Manager* in respect of any *Portfolio*, or any part thereof.

Investment Schedule: means the schedule to this *Policy* which forms an integral part of this *Policy*.

Long-term Insurance Act: means the *Long-term Insurance Act, 5 of 1998*, as amended or substituted from time to time.

Market Value: means the amount for which an *Asset* is valued according to acceptable industry standards, failing which, the amount for which an *Asset* can be sold in an open market on a given sector of the market where the said *Asset* is traded between a willing buyer and a willing seller at arm's length.

Member: means a member of the *Fund* as defined in the rules of the *Fund*.

Namibian Banker Portfolio: means the range or set of *Assets* held by *Alexander Forbes Investments* under the name and style of the *Namibian Banker Portfolio* and any range or set of *Assets* in substitution thereof.

Namibian Dollar: means *Namibian Dollar* or any legal tender from time to time in substitution thereof in *Namibia*.

Nominated Portfolio: means the *Portfolio* stipulated in the *Investment Schedule* which was initially nominated in *Writing* by the *Fund* in respect of each *Participating Employer* for investment of the *Investment Amount*, or the *Portfolio* to which *Alexander Forbes Investments* has switched the investment on *Written* request of the *Fund* and as stipulated in the *Switch Form*.

Non-Liquid Asset: means any *Asset*, which *Alexander Forbes Investments* cannot in its sole discretion, given the then prevailing circumstances, market conditions, or other restrictions, convert within a reasonable time into cash or any *Asset* in respect of which *Alexander Forbes Investments* is in its sole discretion restricted or prevented from actually receiving cash payment for or to the value of the said *Asset* within a reasonable time.

Non- Listed Asset: means an *Asset* which is not listed on any exchange, including but not limited to, a long term insurance policy issued by a registered long-term insurer.

Parties: means the parties to this agreement being the *Fund* and *Alexander Forbes Investments*.

Participating Employer: means the company or juristic entity who is a participant in the *Fund* under which the *Fund* instructs *Alexander Forbes Investments* to administer its investments in terms of this *Policy* and to which *Alexander Forbes Investments* has issued a unique code listed in the *Participating Employer Schedule*.

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Participating Employer Account: means the internal administration account maintained by *Alexander Forbes Investments* in respect of each *Participating Employer*.

Participating Employer Schedule: means the schedule maintained by *Alexander Forbes Investments* listing the *Participating Employer* name and code, the *Nominated Portfolio*, *Policy Fees* and asset consulting fees in respect of each *Participating Employer*.

Pension Funds Act: means the Pension Funds Act, 24 of 1956, as amended or substituted from time to time.

Person: means any natural person or incorporated or unincorporated legal or juristic entity.

Policy: means this linked long term insurance contract contained in this document including all schedules and appendices.

Policy Benefits: means one or more sums of money, services, *Assets* or other benefits, including an annuity, as the case may be, as contemplated in the *Long –term Insurance Act* to be received by the *Fund* in terms of this *Policy*.

Policy Benefits Claim: means the *Written* notice from the *Fund* claiming *Policy Benefits* from *Alexander Forbes Investments* together with the *Written* and duly signed resolution or *Written* instruction by the board of the *Fund* or a duly authorised representative of the *Fund*, both actually delivered to and both actually received by *Alexander Forbes Investments* in terms of this *Policy*.

Policy Fees: means all fees other than the “Take On” fees stipulated in the *Policy Fees Schedule*, as agreed between the *Parties* and as stipulated in the *Policy Fees Schedule* and/or *Participating Employer Schedule* together with all taxes, levies and duties to be paid in respect of or relevant to these fees, levied by *Alexander Forbes Investments* for the provision of *this Policy* to the *Fund*.

Policy Fees Schedule: means the schedule of “Take On” and *Policy Fees* in respect of the provision of this *Policy*, which form an integral part of this *Policy*.

Portfolio: means the *Categories of Assets* held by *Alexander Forbes Investments* under a specific name and style, determined in its sole discretion by *Alexander Forbes Investments* from time to time and includes a *Nominated Portfolio*.

Premium: means the consideration, whether in cash, specie or otherwise, that is paid or is to be paid in the event of cash and/or transferred and/or delivered or to be

transferred and/or delivered in the event of any other *Asset* by the *Fund* to *Alexander Forbes Investments* and actually accepted as a premium by *Alexander Forbes Investments*, whether in one lump sum, transfer or delivery or in regular recurring sums, transfers or deliveries, in return for the undertaking by *Alexander Forbes Investments* to provide *Policy Benefits* in terms of this *Policy*.

Rules: means the duly registered and approved rules of a *Fund* as amended from time to time.

Surrender Notice: means the *Written* claim for *Consideration* and the *Written* and duly signed resolution or *Written* instruction by the board of the *Fund* or a duly authorised representative of the *Fund*, actually delivered to and actually received by *Alexander Forbes Investments* in terms of this *Policy*.

Switch Form: means the official standard form issued by *Alexander Forbes Investments* and signed by the *Fund* for purposes of notifying *Alexander Forbes Investments* of any subsequent amendments to the initial investment instructions and/or nomination of additional *Nominated Portfolios*.

Unit: means a notional separate part or division in the *Nominated Portfolios*.

Unit Price: means a notional value of each Unit in the *Nominated Portfolio* determined and calculated in accordance with the methodology and unitisation and unit pricing utilised by *Alexander Forbes Investments* at the time of determination and calculation.

Writing and Written: means communication in written form and includes communication by electronic mail (e-mail): Provided that where *Alexander Forbes Investments* requires communication in a specified format, only communication received by *Alexander Forbes Investments* in that format shall be deemed to be in writing for purposes of this definition and this *Policy*.

1.2 Words importing :

- a) the singular shall include the plural and vice versa;
- b) the masculine gender shall include the feminine gender and vice versa; and
- c) persons shall include natural persons, juristic persons, trusts and partnerships.

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- 1.3 The headings to the clauses of this *Policy* are inserted for reference purposes only and shall not affect the interpretation of any of the provisions to which they relate.
- 1.4 If any provision in 1 is a substantive provision conferring rights or imposing obligations on any Party, then, notwithstanding that such provision is contained in 1, effect shall be given thereto as if such provision were a substantive provision in the body of this *Policy*.

2. PREMIUM

- 2.1 The *Fund* shall furnish *Alexander Forbes Investments* with such particulars of all cash and/or other *Assets* that the *Fund* wishes to pay, transfer or deliver to *Alexander Forbes Investments* as premium under this *Policy* as may be reasonably required by *Alexander Forbes Investments* for the evaluation of such cash and/or other *Assets*.
- 2.2 *Alexander Forbes Investments* is not obliged to accept any cash or any particular other *Asset* as a premium under this *Policy*.
- 2.3 If *Alexander Forbes Investments* accepts the proposed cash payment and/or any other *Asset* as a *Premium* in terms of this *Policy*, the *Fund* shall pay, transfer, or deliver, as the case may be, the cash and/or other *Asset* to *Alexander Forbes Investments* in terms of and subject to the provisions of this *Policy*. This will constitute the *Premium* as contemplated in terms of this *Policy*.
- 2.4 However, if based on the particulars furnished in terms of the above provisions, *Alexander Forbes Investments* is not willing to accept any particular *Asset*, (other than cash) as a *Premium* under this *Policy*, *Alexander Forbes Investments* may, upon the written request of the *Fund*, realise such other *Asset* in accordance with the terms and conditions imposed by *Alexander Forbes Investments* in respect of such realisation. The proceeds of such realisation of the *Asset*, net of any associated costs, expenses, fees, taxes or levies will be accepted under this *Policy* as *Premium* or part of the *Premium*.
- 2.5 On actual receipt and acceptance of the *Premium* from the *Fund*, *Alexander Forbes Investments* shall for administration, management, and accounting purposes allocate the value of the *Premium* to and account for it in the *Fund's* Account. and in the relevant *Participating Employer Account*. If the *Premium* consists entirely or in part of *Assets* other than cash, the value of the *Premium* or the relevant part thereof will be determined with reference to the value from time to time of such other *Assets*, determined in accordance with the valuation and pricing

policy and methodology of *Alexander Forbes Investments* at that time and such value shall from time to time be accounted for in the *Fund's Account* and in the relevant *Participating Employer Account* as *Premium* or the relevant part thereof. *Fund* shall with the payment of each *Premium* indicate in *Writing* the apportionment of the *Premium* between *Participating Employers* and *Nominated Portfolios*. *Alexander Forbes Investments* shall account for each *Participating Employer* portion thereof separately in the relevant *Participating Employer Account*.

3. INVESTMENT

- 3.1 The *Fund* must instruct or shall in future instruct *Alexander Forbes Investments* in *Writing* to invest the *Investment Amount* in respect of each *Participating Employer* in the *Nominated Portfolio* and if in more than one *Nominated Portfolio*, the proportion of the *Investment Amount* to be invested in each *Nominated Portfolio* for each *Participating Employer*.
- 3.2 *Alexander Forbes Investments* shall, other than in exceptional circumstances, within 1 (one) *Business Day*, following the date of acceptance and receipt of the cash portion of the *Premium*, and/or acceptance and receipt, transfer or delivery of the "other *Assets*" portion of the *Premium* and actual receipt of the *Written* instructions referred to above allocate *Units* in the *Nominated Portfolio* or *Nominated Portfolios* to and account for it in the *Fund's* and *Participating Employer Accounts* at the *Unit Price* on the date of the said allocation of the *Units* equal to the value of the *Investment Amount*.
- 3.3 *Alexander Forbes Investments* shall notify the *Fund* in *Writing* if and when any exceptional circumstances as contemplated above arise, and under such exceptional circumstances *Alexander Forbes Investments* will only allocate *Units* in the *Nominated Portfolio* or *Nominated Portfolios* to and account for it in the *Fund's* and *Participating Employer Accounts* as soon as reasonably practically possible. Such allocation will be at the *Unit Price* on the date of the said allocation of the *Units*.
- 3.4 The *Investment Amount* or any portion thereof, as the case may be, held in *Alexander Forbes Investments* banking account for more than one *Business Day* shall accrue the interest earned by *Alexander Forbes Investments*, calculated from the date of deposit and receipt into the *Alexander Forbes Investments* banking account until the date of allocation of *Units* in the *Nominated Portfolio* or *Nominated Portfolios* and shall be added to the *Investment Amount* or the portion thereof prior to the allocation of *Units* in the *Nominated Portfolio* or *Nominated Portfolios*.
- 3.5 The *Fund* shall notify *Alexander Forbes Investments* in *Writing* of new *Participating Employers*. The *Fund* shall include in the notification the name of the *Participating Employer*, the *Nominated Portfolios*, the asset consultant fee and the *Policy Fees* agreed with *Alexander Forbes Investments* in respect of the investments. If no *Policy Fees* have been agreed *Alexander Forbes Investments'* standard *Policy Fees* will apply to the investments.
- 3.6 *Alexander Forbes Investments* will list a new *Participating Employer* in the *Participating Employer Schedule* and furnish the *Fund* with a revised *Schedule*

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within 10 *Business Days* after the issue of code for the *Participating Employer*.

4. PORTFOLIOS

4.1 As standard business practice, *Alexander Forbes Investments* holds its assets in *Portfolios*. *Alexander Forbes Investments* shall hold its assets for purposes of this *Policy* in the *Nominated Portfolio*. At all relevant times the amount of the *Policy Benefits* to be provided in terms of this *Policy*, will be determined solely by reference to the value of the assets or *Categories of Assets* held by *Alexander Forbes Investments* in the *Nominated Portfolio* or *Nominated Portfolios* for purposes of this *Policy*.

4.2 *Alexander Forbes Investments* may discontinue any of its *Portfolios* including the *Nominated Portfolio*: Provided that in the event of the discontinuance of the *Nominated Portfolio*, *Alexander Forbes Investments* shall give the *Fund* 3 (three) months' *Written* notice to such effect and the reasons for the discontinuance. Upon receipt of the said *Written* notice, the *Fund* shall at any time before the end of the said 3 (three) month period nominate an alternative *Portfolio* as its new *Nominated Portfolio* for investment. The provisions of 7 below shall apply, *mutatis mutandis* for the purposes of switching from the discontinued *Nominated Portfolio* to the new *Nominated Portfolio*.

4.3 If *Alexander Forbes Investments* receives no alternative nomination as contemplated above, it shall have the right to switch the investment in the discontinued *Nominated Portfolio* to a *Portfolio*, which, in the sole judgment and discretion of *Alexander Forbes Investments*, would be similar to the discontinued *Nominated Portfolio*. If in the sole judgement and discretion of *Alexander Forbes Investments* no similar *Portfolio* is available, *Alexander Forbes Investments* shall have the right to switch the investment to the *Namibian Banker Portfolio*. In these circumstances the *Fund* shall be deemed to have nominated the *Portfolio* to which the investment was switched in terms hereof as its new *Nominated Portfolio*.

4.4 *Alexander Forbes Investments* may limit investment in any *Portfolio* and will inform the *Fund* in writing of its decision and the reasons to do so.

4.5 *Alexander Forbes Investments* may rename any of the *Portfolios* from time to time and will notify the *Fund* accordingly.

4.6 *Alexander Forbes Investments* gives no guarantee and makes no representation regarding the investment returns of any of the *Portfolios* and the appropriateness or

suitability of investing in any of the *Portfolios* and records that the amount of the *Policy Benefits* is to be determined solely by reference to the value of the *Categories of Assets* actually held by *Alexander Forbes Investments* in the *Nominated Portfolio* or *Nominated Portfolios* for the purposes of this *Policy*.

4.7 *Investment Managers* manage all the *Portfolios* excluding the Hedge Fund *Portfolios* which are dealt with in terms of and in accordance with clause 24 of this *Policy*. *Alexander Forbes Investments* shall monitor the compliance of the *Investment Manager* with the investment mandate given in respect of the *Nominated Portfolio*.

4.8 Notwithstanding 4.7, *Alexander Forbes Investments* may establish *Portfolios* for which an *Investment Manager* is not appointed and in terms of which *Alexander Forbes Investments* may hold the *Assets* and manage the *Portfolios*.

4.9 *Alexander Forbes Investments* may amend the investment objectives of any of its *Portfolios*. Provided that in the event of the material amendment of the investment objectives of the *Nominated Portfolio*, *Alexander Forbes Investments* shall give the *Fund* 3 (three) months' *Written* notice to such effect and the reasons for the amendment. Upon receipt of the said *Written* notice, the *Fund* may at any time before the end of the said 3 (three) month period nominate an alternative *Portfolio* as its new *Nominated Portfolio* for investment. The provisions of 7 below shall apply, *mutatis mutandis* for the purposes of switching from this *Nominated Portfolio* to the new *Nominated Portfolio*.

5 UNITS AND UNIT PRICES

5.1 *Alexander Forbes Investments* will utilise a recognised methodology of unitisation from time to time.

5.2 On allocation of the *Investment Amount* to the *Nominated Portfolio* as contemplated above, *Alexander Forbes Investments* will:

5.2.1 express the *Investment Amount* in a number of *Units*, and

5.2.2 calculate for each *Business Day* the *Unit Price* of each *Unit* in accordance with the pricing policy of *Alexander Forbes Investments* from time to time.

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- 5.3 The value of a *Portfolio* at any time is equal to the number of *Units* in that *Portfolio* multiplied by the *Unit Price* in respect of that *Portfolio* at that time.
- 5.4 The number of *Units* in a *Portfolio* will not change except through new investment into the *Portfolio* or withdrawal from the *Portfolio* as contemplated below.
- 5.5 Whenever *Alexander Forbes Investments* allocates a new investment to a *Portfolio*, it will increase the number of *Units* in that *Portfolio*. *Alexander Forbes Investments* will calculate this increase in the number of *Units* by dividing the *Market Value* of such new investment at that time by the *Unit Price* in respect of that *Portfolio* at that time.
- 5.6 Whenever *Alexander Forbes Investments* withdraws an investment from a *Portfolio*, it will reduce the number of *Units* in that *Portfolio*. *Alexander Forbes Investments* will calculate this reduction in the number of *Units* by dividing the *Market Value* of such disinvestment or withdrawal at that time by the *Unit Price* in respect of that *Portfolio* at that time.
- 5.7 *Alexander Forbes Investments* will, on *Written* request from the *Fund*, furnish the *Fund* with *Unit Prices*, which are calculated as set out above.
- 5.8 Any transaction contemplated in this *Policy* shall be executed or implemented at the *Unit Price* of the relevant *Portfolio* at the date of execution or implementation, unless differently provided for elsewhere in this *Policy*.

6 OPERATION OF PORTFOLIOS

- 6.1 *Alexander Forbes Investments* or its appointed administrator or where relevant the *Investment Manager* will determine the *Market Value* of the *Assets* held in each *Portfolio*. If relevant the *Investment Manager* will notify *Alexander Forbes Investments* of this value from time to time. *Alexander Forbes Investments* will take all reasonable steps to validate the information provided by the *Investment Manager* in this regard.
- 6.2 *Alexander Forbes Investments* or the *Investment Manager* shall before calculating the *Unit Price* add to the *Portfolio* the value of all interest, dividends and other investment income accrued or earned pursuant to the management of a *Portfolio*.
- 6.3 *Alexander Forbes Investments* may add to the *Portfolio* a portion of the value of other revenue which it earned not

pursuant to the management of a *Portfolio* before calculating the *Unit Price*.

- 6.4 *Alexander Forbes Investments* or the *Investment Manager* acting on behalf of *Alexander Forbes Investments*, as the case may be, shall deduct all *Expenses* actually incurred by *Alexander Forbes Investments* or an *Investment Manager* pursuant to the management of a *Portfolio* (excluding any investment management fees payable by *Alexander Forbes Investments* to an *Investment Manager* which is not part of *Expenses*) from that *Portfolio* before calculating the *Unit Price*.
- 6.5 *Alexander Forbes Investments* may, in its sole discretion, agree to pay a performance fee to the *Investment Manager* as its remuneration, or part of it. When such a performance fee is payable as contemplated above, *Alexander Forbes Investments* shall deduct the said performance fee from that *Portfolio* before calculating the *Unit Price*. Unless stated differently elsewhere, the performance fee will be determined with reference to the extent that the *Investment Manager* out-performs a pre-determined benchmark, which is agreed upon between *Alexander Forbes Investments* and the *Investment Manager* from time to time. *Alexander Forbes Investments* will from time to time disclose the performance fees paid by *Alexander Forbes Investments* in relation to the *Nominated Portfolio*.
- 6.6 *Alexander Forbes Investments* has the exclusive powers and authorities to give effect to the terms of this *Policy*, including, without limitations, to purchase and hold *Assets*, to invest in investment structures and to appoint, in its sole discretion, *Investment Managers* to manage and administer *Portfolios* and where relevant to determine the investment mandates in terms whereof the *Investment Managers* shall manage *Portfolios*.
- 6.7 The *Fund* hereby authorises *Alexander Forbes Investments* to act on the *Written* instructions given to it by the representative of the *Fund* to invest in, disinvest from, withdraw from or switch to or from a *Portfolio*.
- 6.8 *Alexander Forbes Investments* will when requested in *Writing* to do so by the *Fund*, and subject to the provisions of this *Policy*, calculate the *Policy Benefits* or *Consideration*, as the case may be, to be received by the *Fund* in terms of this *Policy*.
- 6.9 *Alexander Forbes Investments* shall account for the *Policy Benefits* or *Consideration*, as the case may be, or the amounts representing the value thereof, as defined and calculated in terms of this *Policy*, in the *Fund's Account* and the *Participating Employer Account*.

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6.10 The payment of *Policy Fees* as stipulated in the *Policy Fees Schedule* and/or *Participating Employer Schedule* and any taxes and expenses shall be made from the various *Nominated Portfolios* in such proportions as may be determined by *Alexander Forbes Investments* from time to time.

6.11 Offshore Investments

6.11.1 In the event of offshore investments being subject to exchange control provisions imposed by any governmental or regulatory authority, all offshore investments by *Alexander Forbes Investments* in any of its *Portfolios* shall be subject to the investment limitations as well as the reporting, classification, and application provisions imposed by the relevant authorities from time to time.

6.11.2 Where any offshore investment does not comply with any investment limitation and/or any classification, reporting, or application provision imposed by the relevant authorities, *Alexander Forbes Investments* may in its sole judgement and discretion and without any notice to the *Fund* switch the relevant investment into any of its *Portfolios*. *Alexander Forbes Investments* shall within a reasonable time after the switch inform the *Fund* thereof.

6.11.3 All terms and conditions relating to switching between *Portfolios* shall *mutatis mutandis* be applicable to any such switch.

7 SWITCHES

7.1 The *Fund* may request *Alexander Forbes Investments* to switch the investment between *Nominated Portfolios* subject to the provisions of this *Policy*.

7.2 When the *Fund* elects to request *Alexander Forbes Investments* to switch between *Nominated Portfolios*, the *Fund* shall deliver a duly signed and properly completed *Switch Form* to *Alexander Forbes Investments*.

7.3 *Alexander Forbes Investments* shall only switch between *Nominated Portfolios* upon the actual receipt of a duly signed and properly completed *Switch Form* from the *Fund*, subject to the provisions of this *Policy*.

7.4 *Alexander Forbes Investments* shall make every reasonable effort to switch between the relevant *Nominated Portfolios* within one *Calendar Month* of

actual receipt of the duly signed and properly completed *Switch Form*. If exceptional circumstances prohibit the switch within one *Calendar Month*, *Alexander Forbes Investments* shall notify the *Fund* in *Writing* if and when any exceptional circumstances as contemplated above arise, and under such exceptional circumstances *Alexander Forbes Investments* shall only switch between the relevant *Nominated Portfolios* as soon as reasonably practically possible.

7.5 To the extent that a switch involves a withdrawal from a *Nominated Portfolio* and/or an investment into a *Nominated Portfolio*, which contains a *Non-Liquid Asset* or which is subject to any liquidity or investment restrictions, such withdrawal from or investment in the said *Nominated Portfolio* shall be subject to the then prevailing market conditions in respect of, and all applicable terms and conditions pertaining to, such *Non-Liquid Asset* or the liquidity or investment restrictions of such *Nominated Portfolio*.

7.6 *Alexander Forbes Investments* does not represent, warrant or guarantee that any switch from one *Nominated Portfolio* to another will be executed or implemented at the same time or on the same date. *Alexander Forbes Investments* will notify the *Fund* in *Writing* if the switch from one *Nominated Portfolio* to another cannot be executed or implemented at the same time or on the same date.

7.7 The *Interest of the Fund* in a *Nominated Portfolio* and the *Interest of the Participating Employer* in a *Nominated Portfolio* from which a withdrawal is made and the *Unit Price* of the *Nominated Portfolio* in which *Units* are allocated due to an investment in that *Nominated Portfolio* to give effect to a switch, will be determined on the date of such withdrawal or investment respectively.

7.8 *Alexander Forbes Investments* shall upon completion of the switch record it in the *Fund's Account* and the *Participating Employer Account* and confirm it in *Writing* to the *Fund*.

7.9 Should *Alexander Forbes Investments* incur any costs, expenses or penalties for switching between *Nominated Portfolios*, such costs, expenses or penalties shall be debited to the *Fund's Account* and the *Participating Employer Account*. *Alexander Forbes Investments* will advise the *Fund* in *Writing* in advance as soon as reasonably possible of the amount of any such costs, expenses or penalties for switching between *Nominated Portfolios*.

8 PROVISION OF POLICY BENEFITS AND CONSIDERATION TO THE FUND

8.1 The *Fund* has the right to claim *Policy Benefits* from *Alexander Forbes Investments* and *Alexander Forbes Investments* has the obligation to provide *Policy Benefits*

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to the *Fund* in terms of and subject to the terms and conditions of this *Policy*.

- 8.1.1 If the *Fund* intends to claim *Policy Benefits* from *Alexander Forbes Investments* in terms of this *Policy* as contemplated above, it shall deliver to *Alexander Forbes Investments* a *Policy Benefits Claim*.
- 8.1.2 The *Fund* shall state in the said *Policy Benefits Claim* the name of the *Participating Employer* and the exact amount or percentage of the investment in the *Nominated Portfolio* that the *Fund* wishes to receive.
- 8.1.3 *Alexander Forbes Investments* shall provide *Policy Benefits* to the *Fund* within 1 (one) *Calendar Month* after actual receipt of the *Policy Benefits Claim*.
- 8.1.4 *Alexander Forbes Investments* shall in its sole discretion provide the *Fund* with *Policy Benefits* by way of:
 - 8.1.4.1 transfer or delivery of *Assets* which it holds in a *Nominated Portfolio* specifically for the purposes of this *Policy*; or
 - 8.1.4.2 payment of cash; or
 - 8.1.4.3 a combination of transfer or delivery of *Assets* and payment of cash, and

Alexander Forbes Investments will advise the *Fund* in *Writing* in advance as soon as reasonably possible of the method of providing *Policy Benefits* to the *Fund*.

- 8.2 The *Fund* has the right to surrender this *Policy* in full or in part.
 - 8.2.1 If the *Fund* intends to surrender this *Policy* as contemplated above, it shall deliver to *Alexander Forbes Investments* a *Surrender Notice*.
 - 8.2.2 The *Fund* shall state in the said *Surrender Notice* whether it wishes to fully or partially surrender this *Policy* and in the event of a partial surrender the name of the *Participating Employer* and the exact amount or percentage of the investment in the *Nominated Portfolio* that the *Fund* wishes to receive as *Consideration*.

8.2.3 *Alexander Forbes Investments* shall provide *Consideration* to the *Fund* within 1 (one) *Calendar Month* after actual receipt of the *Surrender Notice*.

- 8.2.4 In the event of the full or partial surrender of this *Policy*, *Alexander Forbes Investments* shall in its sole discretion provide the *Fund* with *Consideration* by way of:
 - 8.2.4.1 transfer or delivery of *Assets* which it holds in a *Nominated Portfolio* specifically for the purposes of this *Policy*; or
 - 8.2.4.2 payment of cash; or
 - 8.2.4.3 a combination of transfer or delivery of *Assets* and payment of cash.

Alexander Forbes Investments will advise the *Fund* in *Writing* in advance as soon as reasonably possible of the method of providing *Policy Benefits* to the *Fund*.

- 8.3 The provision of *Policy Benefits* or the payment of *Consideration* as contemplated above shall be subject to the following terms and conditions:
 - 8.3.1 In the event of transfer or delivery of *Assets* by *Alexander Forbes Investments*, it may, in its sole discretion and in consultation with the *Investment Manager* of the relevant *Nominated Portfolio* select *Assets* to reflect approximately the composition of such *Nominated Portfolio*. The selected *Assets* shall at the time of the transfer or delivery have a *Market Value* equal to the *Consideration* or *Fund's* claim for *Policy Benefits* as the case may be, but the value of the *Assets* shall not exceed the *Interest of the Fund* or the *Interest of the Participating Employer* in such *Nominated Portfolio* at the time of such transfer or delivery, less the direct costs of transferring or delivering such *Assets*. Provided that:
 - 8.3.1.1 If *Alexander Forbes Investments* holds a *Non-Listed Asset* and/or a *Non-Liquid Asset* in the *Nominated Portfolio* concerned, *Alexander Forbes Investments* may in its sole discretion procure the issuing, transfer, delivery or assignment, as the case may be, of a similar *Asset* to the *Fund*, equal to an amount *pro rata* to the number of *Units* in the relevant *Nominated Portfolio* held in respect of this *Policy* as reflected in the *Fund's Account*. or *Participating Employer Account*.
 - 8.3.1.2 If *Alexander Forbes Investments* holds a *Non-Listed Asset* and/or a *Non-Liquid Asset* in the *Nominated Portfolio* concerned and *Alexander Forbes Investments* in its sole discretion cannot procure the

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issuing, transfer, delivery or assignment, as the case may be, of a similar *Asset* as contemplated above, the provision of *Policy Benefits* or *Consideration* to the *Fund* shall be subject to the same terms, conditions, restrictions and limitations of or relevant to the *Non-Listed Asset* or *Non-Liquid Asset* concerned, in which event *Alexander Forbes Investments* shall allocate the said *Asset* or *Assets* to a specific *Portfolio* where it shall be held separately until the final liquidation of each and every such *Asset*.

- 8.3.2 In the event of payment of cash by *Alexander Forbes Investments*, as contemplated above, it may pay to the *Fund* the proceeds of the realisation of *Assets*, which proceeds shall have a *Market Value* equal to the *Fund's* claim in respect of such *Nominated Portfolio* at the time of the realisation of the said *Assets*, but not exceeding the *Interest of the Fund* or the *Interest of the Participating Employer* in such *Nominated Portfolio*, less the direct costs of realising such *Assets*. In doing so *Alexander Forbes Investments* will reasonably endeavour that any such realisation is to the best advantage of the *Fund* and the remaining policyholders whose policies are linked to the affected *Portfolios*. However, any difference between the *Market Value* of the *Assets* on the date on which *Alexander Forbes Investments* actually receives the *Policy Benefits Claim* or the *Surrender Notice*, as the case may be, from the *Fund* and the *Market Value* of the *Assets* on the date on which *Alexander Forbes Investments* actually realises the *Assets* shall be for the account of the *Fund*.
- 8.3.3 In the event of a combination of transfer or delivery of *Assets* and payment of cash by *Alexander Forbes Investments*, as contemplated above, *Alexander Forbes Investments* may provide *Policy Benefits* or *Consideration*, as the case may be, to the *Fund* partly by transfer or delivery of *Assets* in accordance with 8.3.1 and partly by paying cash to the *Fund* in accordance with 8.3.2.
- 8.3.4 *Alexander Forbes Investments* shall before transfer or delivery of *Assets* and/or payment of cash, as contemplated above, deduct all taxes and direct costs incurred by *Alexander Forbes Investments* and/or the *Investment Manager*, including, but not limited to levies, taxes, duties, dealing costs, marketable securities tax, uncertificated securities tax, brokerage and other costs incidental thereto (if any) in respect of the *Nominated Portfolio*.
- 8.3.5 After deductions as contemplated above, *Alexander Forbes Investments* will, subject to the terms and conditions of this *Policy*, provide the *Policy Benefits* or *Consideration*, as the case may be, to the *Fund* and account therefore in the *Fund's Account*.
- 8.3.6 When during any claim for *Policy Benefits* or any partial or full surrender of this *Policy*, as the case may be, *Alexander Forbes Investments* experiences an overall or, in its view, a substantial withdrawal from any *Nominated Portfolio*, *Alexander Forbes*

Investments may be subject to an unwanted forced sale of its *Assets* from the *Nominated Portfolio* from which the *Policy Benefits* or *Consideration*, as the case may be, are to be provided. In order to reasonably avoid and/or contain as far as possible any detrimental effects resulting directly from any such forced sale, *Alexander Forbes Investments* may, in its sole discretion delay any realisation of *Assets* and/or any payment of any amount for such a period as it deems practically fit, having regard to the then prevailing applicable relevant market and commercial conditions. *Alexander Forbes Investments* will notify the *Fund* in *Writing* if *Alexander Forbes Investments* experiences an overall or, in its view, a substantial withdrawal from any *Nominated Portfolio*.

- 8.3.7 Any cash amount, excluding cash amounts forming part of the *Nominated Portfolio*, held in *Alexander Forbes Investments* banking account for more than one *Business Day* shall accrue the interest earned by *Alexander Forbes Investments*, calculated from the date of deposit and receipt into the *Alexander Forbes Investments* banking account until the date of providing *Policy Benefits* or *Consideration*, as the case may be, to the *Fund*. *Alexander Forbes Investments* shall pay to the *Fund* such accrued interest as part of the *Policy Benefits* or *Consideration*, as the case may be.
- 8.4 *Alexander Forbes Investments* shall have the right to terminate this *Policy* in full or in part.
- 8.4.1 In the event of *Alexander Forbes Investments* intending to terminate this *Policy* as contemplated above, it shall deliver to the *Fund* a 3 (three) *Calendar Months' Written* notice of termination.
- 8.4.2 *Alexander Forbes Investments* shall consult with the *Fund* prior to implementing such termination, and the consultation will detail the termination provisions. If the termination provisions are not determined and specified in the said consultation the provisions of 8.2 and 8.3 above shall *mutatis mutandis* apply.

9 LIABILITY AND LIABILITY TO THIRD PARTIES

- 9.1 The liability of *Alexander Forbes Investments* under this *Policy* shall be limited to the providing of *Policy Benefits* or *Consideration*, as the case may be, to the *Fund* as defined, determined and calculated in terms of this *Policy*, which *Policy Benefits* or *Consideration*, as the case may be, shall never exceed the *Cash Value* of the *Policy*.

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- 9.2 Since this *Policy* does not constitute a contract for the benefit of a third party, no *Member* of the *Fund* nor any beneficiary nominated by the *Member* of the *Fund* or any *Participating Employer* or any other *Person* shall have any right or claim whatsoever against *Alexander Forbes Investments* in terms of this *Policy* or at all.
- 9.3 Any legal proceedings against *Alexander Forbes Investments* must be instituted within 3 (three) years from *Alexander Forbes Investments* rejection of the claim, or any longer period that a party may be entitled to because of a legal disability. In the event that a party fails to institute the legal proceedings within the aforementioned time period, the right to claim any benefit under the *Policy* will be lost.

10 ACCOUNTING

- 10.1 *Alexander Forbes Investments* shall maintain the *Fund's* and *Participating Employer's Accounts* in respect of this *Policy*.
- 10.2 *Alexander Forbes Investments* shall record, show and account for in the *Fund's* and *Participating Employer's Accounts* the number of *Units* and the *Unit Price* representing:
- 10.2.1 the *Investment Amount*;
- 10.2.2 the *Policy Fees* and other fees (if any), taxes, levies, and expenses, which are not accounted for in the *Portfolios*;
- 10.2.3 all *Policy Benefits* or *Consideration*, as the case may be, provided by *Alexander Forbes Investments* to the *Fund* in terms of this *Policy*.

11 REPORTING

- 11.1 *Alexander Forbes Investments* shall furnish the *Fund* with monthly, quarterly and annual reports as agreed from time to time regarding the *Fund's* and *Participating Employer's Accounts* with *Alexander Forbes Investments*.
- 11.2 Each report will reflect all the transactions affecting the *Fund's Account* for the reporting period.
- 11.3 The *Fund* shall notify *Alexander Forbes Investments* in *Writing* within 7 (seven) days of receipt of the monthly report if any instruction from the *Fund* is not reflected or not reflected correctly on the monthly report, failing which, the monthly report shall be deemed to be correct.

- 11.4 On written request by the *Fund*, *Alexander Forbes Investments* shall furnish the *Fund* with an annual certificate for auditing purposes ("audit certificate").
- 11.5 The *Fund* may request in *Writing* additional audit certificates from the auditors of *Alexander Forbes Investments*. All the costs associated with the preparation of any such additional audit certificates shall be borne by the *Fund*.
- 11.6 It is recorded that any related or connected *Person* to *Alexander Forbes Investments* may from time to time act as a financial services provider or may form an integral part of an investment structure and may in such capacity earn revenue in providing financial services or being part of an investment structure. This revenue earned by such a *Person* will not constitute an expense of *Alexander Forbes Investments*, but will be deducted from the relevant assets in respect of which the financial services are rendered or from the assets comprising or relating to the relevant investment structure. *Alexander Forbes Investments* will annually disclose in writing the fact that such revenue has been earned by such related or connected *Persons* for rendering such financial services or from the assets comprising or relating to the relevant investment structure.

12 POLICY FEES, EXPENSES AND OTHER REVENUE

- 12.1 *Alexander Forbes Investments* shall levy the following *Policy Fees* as stipulated in the *Policy Fees Schedule* and/or the *Participating Employer Schedule* in respect of the provision of this *Policy* on the following basis:
- 12.1.1 The *Policy Fees* which are calculated daily, as a percentage of the *Interest of the Participating Employer* in each *Nominated Portfolio* as at the close of business every day, shall be levied by *Alexander Forbes Investments* and debited to the *Fund's* and *Participating Employer's Accounts*.
- 12.1.2 The *Policy Fees* shall accrue daily, but shall only be debited to the *Fund's* and *Participating Employer's Accounts* monthly in arrear.
- 12.2 In the event of the surrender of this *Policy* for any reason whatsoever *Alexander Forbes Investments* may immediately levy any accrued *Policy Fees* or expenses (if any) of whatsoever nature, which have not been levied or debited to the *Fund's* and *Participating Employer's Accounts*.
- 12.3 *Alexander Forbes Investments* may realise *Portfolio Assets* and apply the proceeds of such realisation of assets in discharge of any fees as contemplated in this *Policy* levied by *Alexander Forbes Investments* and debited to the *Fund's* and *Participating Employer's Accounts*. This will constitute a withdrawal from the *Portfolio* and result in a reduction in the number of *Units* in the *Portfolio*.

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12.4 *Alexander Forbes Investments* has the right to amend any *Policy Fees* stipulated in the *Policy Fees Schedule* upon 3 (three) *Calendar Months' Written* notice to the *Fund*, which notice shall contain the reasons for the amendment. Such amendments to the *Policy Fees Schedule* shall be deemed to have been unconditionally accepted by the *Fund* if *Alexander Forbes Investments* does not receive *Written* notice of the full surrender of this *Policy* within 2 (two) *Calendar Months* after the date of the *Written* notice from *Alexander Forbes Investments* referred to above.

12.5 Should any new legislation or any legislative amendments result in an increase in the costs or expenses of administering this *Policy*, *Alexander Forbes Investments* shall, without prior notice, have the right to increase any of the *Policy Fees* stipulated in the *Policy Fees Schedule*. *Alexander Forbes Investments* shall notify the *Fund* of any such increase and the reasons therefore in writing.

12.6 In certain instances, *Alexander Forbes Investments* may agree to pay a service fee to certain consultants and administrators, in recognition of the support they provide in servicing specific *Policyholders*. This service fee is only paid if a signed authorisation is received from the *Policyholder* concerned. The service fee is paid out of *Alexander Forbes Investments* revenue and does not affect the *Policy Fee* payable by the *Policyholder*. All such payments will at all times be subject to any prescribed regulatory limits.

12.7 *Alexander Forbes Investments* may earn in respect of its *Assets* other revenue from activities not pursuant to the management of a *Portfolio*. Where the activities are in relation to *Assets* held in the *Nominated Portfolio*, *Alexander Forbes Investments* will notify the *Fund* in *Writing* at least 3 (three) months prior to the commencement of such activities of its intention to enter into any such activities and will add to the relevant *Nominated Portfolio* such portion of the value of the revenue which it earned in respect of such activities as stipulated in the notification. *Alexander Forbes Investments* will always maintain insurance as contemplated in 18 below in respect of these activities.

12.8 *Alexander Forbes Investments* and/or its subsidiaries may from time to time directly or indirectly earn other income or revenue in respect of business activities and/or *Assets*, as the case may be.

13 BREACH

13.1 Should *Alexander Forbes Investments* or the *Fund* breach any material term of this *Policy*, the defaulting *Party* shall remedy such breach within 7 (seven) days of receipt of

written notice from the other *Party* requiring it to do so: Provided that if the breach is of such a nature that it cannot be remedied within the 7 (seven) day period, or within a reasonable time as may be mutually agreed to by the *Parties*, then the aggrieved *Party* shall be entitled, without further notice, in addition to any other remedy available to it in law or in terms of this *Policy*, including obtaining an interdict, to cancel this *Policy* or to claim specific performance of any obligation, whether the due date for performance has arrived or not, in either event without prejudice to the aggrieved *Party's* rights to claim damages.

13.2 If the breach is not a material breach of this *Policy*, the aggrieved *Party* shall be entitled to any remedy available to it in law or in terms of this *Policy*: Provided that the aggrieved *Party* shall not be entitled to cancel this *Policy* unless such cancellation is the only adequate remedy available to the aggrieved *Party* or the conduct of the defaulting *Party* has rendered the continued operation of this *Policy* impossible.

13.3 Should either *Party* be rendered, wholly or partially, unable to carry out its obligations in terms of this *Policy* due to *vis maior* or *casus 17fortuitous*, then the *Party* so affected shall immediately give written notice to the other *Party* of the commencement and nature of such *vis maior* or *casus 17fortuitous*. The obligations of the *Parties* shall be reduced or suspended, as the circumstances require.

13.4 Any *Party* breaching a term of this *Policy* as a result of *vis maior* or *casus 17fortuitous* shall not be held liable at all, whether in terms of this *Policy* or the common law.

14 CURRENCY

All payments to or by *Alexander Forbes Investments* under this *Policy* shall be in N\$, unless otherwise agreed in writing between the *Fund* and *Alexander Forbes Investments*.

15 LAW

Any questions of law arising under this *Policy* shall be decided in terms of and in accordance with the laws of the Republic of Namibia.

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16 TAX

Should any tax, duty, levy or fiscal charge of whatsoever nature, whether existing at the *Commencement Date* or to be introduced in future, in respect of the *Fund* or arising from the operation of this *Policy*, as the case may be, be payable by *Alexander Forbes Investments*, or should any tax, duty, levy or fiscal charge as may be due by the *Fund* be required to be paid by *Alexander Forbes Investments*, the amount of such tax, duty, levy or fiscal charge shall be debited to the *Fund's Account*.

17 OWNERSHIP OF THE INVESTMENTS AND ASSETS

17.1 The *Assets* in the *Nominated Portfolio* are and will at all relevant times remain the property of *Alexander Forbes Investments*.

17.2 Neither the *Fund* nor any *Member* or beneficiary nominated by a *Member* or *Participating Employer* or any other *Person* shall have any interest, undivided share, title, right or real right in or claim against such *Assets*, which shall at all times be and remain the unencumbered property of *Alexander Forbes Investments*.

17.3 *Alexander Forbes Investments* as owner of the *Assets* in its *Portfolios* may exercise any and all rights and enter into any transaction pertaining to or in connection with its ownership of its *Assets*. In performing these activities *Alexander Forbes Investments* will exercise reasonable care in respect of its duty to provide *Policy Benefits* to the *Fund* and will at all relevant times comply with all relevant legislation and the provisions of this *Policy*.

18 INSURANCE

18.1 *Alexander Forbes Investments* has and agrees to maintain insurance cover, as more fully determined by the directors of *Alexander Forbes Investments*, in order to protect the *Fund* from loss occasioned by the fraud, theft, dishonesty or negligence of its employees.

18.2 *Alexander Forbes Investments* shall not be liable to the *Fund* for indirect and/or consequential losses that the *Fund* may suffer due to any such fraud, theft, dishonesty or negligence.

18.3 *Alexander Forbes Investments* undertakes to take all reasonable steps to obtain confirmation from the

Investment Managers and custodians of its *Assets* that they have suitable and similar insurance cover in place.

19 CESSION, DELEGATION AND ASSIGNMENT

Neither the *Fund* nor *Alexander Forbes Investments* shall be entitled to cede any of its rights, or delegate any of its obligations or assign the *Policy* to any third party, unless the prior approval and consent of *Alexander Forbes Investments* or the *Fund*, as the case may be, has been obtained in *Writing*, which approval and consent shall not be unreasonably withheld.

20 CONFIDENTIALITY

Neither *Alexander Forbes Investments* nor the *Fund* shall divulge to any third party any information in connection with this *Policy* or in connection with any information exchanged prior or pursuant to this *Policy* during its operation and after its termination, without prior *Written* consent of the other *Party*, unless so requested by law or any competent governmental or regulatory authority.

21 REPRESENTATION

21.1 *Alexander Forbes Investments* shall be entitled to rely on the validity and accuracy of instructions, requests and information received from the board members, the officers, employees, staff and authorised agents of the *Fund* or from an administrator appointed by the *Fund* as notified by the *Fund* to *Alexander Forbes Investments* in *Writing* from time to time. *Alexander Forbes Investments* shall not incur any liability whatsoever arising from the invalidity or inaccuracy of such instructions, requests or information and the *Fund* hereby indemnifies *Alexander Forbes Investments* against any liability of whatsoever nature arising or resulting from any actions taken on the strength of such instructions, requests and information.

21.2 *Alexander Forbes Investments* is authorised to provide information to any authorised agent of the *Fund*, which shall include but not be limited to the fund consultant and fund administrator.

22 DOMICILIA AND NOTICES

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22.1 *Alexander Forbes Investments* hereby chooses its *domicilium citandi et executandi* at:

Alexander Forbes House
27 Fidel Castro Street
Windhoek
Namibia

22.2 The *Fund* hereby chooses its *domicilium citandi et executandi* at:

The *Fund's* Registered Office as recorded in the *Investment Schedule* or any addenda hereto.

22.3 Either *Party* shall be entitled to change its *domicilium citandi et executandi* from time to time by giving notice of such change in *Writing* to the other *Party*: Provided that any new *domicilium* selected by it shall be a street address within the Republic of Namibia, and that any such change shall only be effective upon actual receipt of notice of such change by the other *Party*.

22.4 All notices to *Alexander Forbes Investments* shall be addressed to: The Managing Director.

22.5 All notices to the *Fund* shall be addressed to: The Principal Officer of the *Fund*.

22.6 Any notice given in terms of this *Policy* which:

22.6.1 is delivered by hand during the normal business hours of the addressee at the addressee's *domicilium* for the time being shall be deemed, unless the contrary is proved by the addressee, to have been received by the addressee at the time of delivery:

22.6.2 is mailed by prepaid registered mail from an address within the Republic of Namibia to the addressee at the addressee's *domicilium* address for the time being shall be deemed, unless the contrary is proved by the addressee, to have been received by the addressee on the 14th (fourteenth) day after the date of mailing;

22.6.3 is given via e-mail, to such e-mail address respectively as may be provided by each *Party* to the other *Party* in *Writing* from time to time, shall be deemed, unless the contrary is proved by the addressee, to have been received by the addressee at the close of business on the day of transmission.

23 GENERAL

23.1 The issue and operation of this *Policy* is conditional upon:

23.1.1 the *Fund* being a duly registered fund as defined and contemplated in the *Long-Term Insurance Act*, and;

23.1.2 the *Fund* being approved by any relevant tax or regulatory authority if applicable.

23.2 If:

23.2.1 any regulatory authority cancels the registration of the *Fund*, whether conditionally or unconditionally, or

23.2.2 any tax or regulatory authority withdraws any approval of the *Fund*, whether provisionally or finally, or

23.2.3 the basis or rate of taxation of *Alexander Forbes Investments* in respect of this *Policy* or any underlying investment in any *Portfolio* is amended in any manner whatsoever, or

23.2.4 any other amendment to this *Policy* is necessary, as a result of any legislative or regulatory provisions,

Alexander Forbes Investments may without prior notice at its sole discretion terminate this *Policy*, or make such amendments to this *Policy* as it deems fit. *Alexander Forbes Investments* shall notify the *Fund* of any such termination or amendment. In the event of a termination of this *Policy* by *Alexander Forbes Investments* in terms hereof, the terms relating to the provision of *Policy Benefits* by *Alexander Forbes Investments* to the *Fund* (clause 8) shall *mutatis mutandis* apply.

23.3 Save where otherwise provided, no alteration, cancellation, variation of, or addition to this *Policy* shall be of any force or effect unless reduced to *Writing* and signed by the Managing Director of *Alexander Forbes Investments* or his duly authorised representative.

23.4 This *Policy* including all the appendices and schedules contains the entire agreement between *Alexander Forbes Investments* and the *Fund* and neither *Party* shall be bound by any undertakings, representations, guarantees, promises or the like not recorded herein.

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23.5 No indulgence, leniency or extension of time which *Alexander Forbes Investments* or the *Fund* may grant or show to the other *Party*, shall in any way prejudice or preclude the *Party* granting the indulgence, leniency or extension from exercising any of its rights in the future.

23.6 Any payment, transfer, delivery or action in terms of this *Policy* shall only be made or effected on a *Business Day*.

23.7 *Alexander Forbes Investments* may from time to time provide the *Fund* with the facility to access information by way of the Internet. Any such access will be subject to the then prevailing terms and conditions applicable to it as determined and published on the website by *Alexander Forbes Investments* from time to time. Notwithstanding the foregoing, the liability of *Alexander Forbes Investments* for any damages, losses, expenses, costs and disbursements suffered or incurred by the *Fund* in respect of any access, by way of the Internet as contemplated above shall be exclusively governed by the then prevailing terms and conditions applicable to it as determined and published on the website by *Alexander Forbes Investments* from time to time. It is specifically recorded that *Alexander Forbes Investments* will not be liable for any damages, losses, expenses, costs and disbursements suffered or incurred by the *Fund*, of whatsoever nature, where the *Fund* has authorised its appointed agents from time to time, to access information on its behalf as contemplated herein.

23.8 Any transaction contemplated in this *Policy* for which no specific provision is made regarding the time period for implementation or execution thereof, will be implemented or executed by *Alexander Forbes Investments* within 1 (one) *Calendar Month* from receipt of any instruction or making of any decision in respect of such a transaction: Provided that if the above is not possible within 1 (one) *Calendar Month*, *Alexander Forbes Investments* will implement or execute such transaction as soon as reasonably practically possible, subject to the provisions of this *Policy*. *Alexander Forbes Investments* will inform the *Fund* in *Writing* if it is not possible to implement or execute a transaction within 1(one) *Calendar Month* and the reasons therefore.

23.9 The implementation or execution of any transaction contemplated in this *Policy* shall at all times be subject to the then prevailing market conditions and taking into account any other factors and conditions that may in *Alexander Forbes Investments'* sole discretion affect, influence or have a bearing on the effective management of all its *Portfolios* and any such implementation or execution may therefore be delayed.

23.10 *Alexander Forbes Investments* at all times acts as a product supplier. The *Fund* acknowledges and confirms that no part of the financial services provided by *Alexander Forbes Investments* constitutes advice.

24 HEDGE FUND PORTFOLIOS

24.1 Notwithstanding anything to the contrary in any other part of this *Policy*, the provisions of 24 shall apply to investments in Hedge Fund Portfolios.

24.2 It is recorded that:

24.2.1 the investment by *Alexander Forbes Investments* in Hedge Fund Portfolios consist of *Categories of Assets* in respect of which alternative investment strategies including hedge fund strategies, are followed and may therefore materially differ from the investment strategies followed by *Investment Managers* managing the other *Portfolios* of *Alexander Forbes Investments*;

24.2.2 the *Categories of Assets* held by *Alexander Forbes Investments* in the Hedge Fund Portfolios, may subject *Alexander Forbes Investments* to terms and conditions, which are more restrictive than or which may materially differ from the terms and conditions applicable to traditional investments or traditional *Categories of Assets* held in its other *Portfolios*;

24.2.3 the alternative investment strategies and styles followed in respect of the *Categories of Assets* held in the Hedge Fund Portfolios have unique risks associated with them and due to these unique risks these *Portfolios* may not be appropriate for the *Fund* as its *Nominated Portfolio*. The risk disclosures in respect of the Hedge Fund Portfolios is attached hereto as Appendix 1;

24.2.4 the value of the *Assets* comprising the *Categories of Assets* held in the Hedge Fund Portfolios is determined with reference to assets held in the Alexander Forbes Investments QI Hedge Fund Scheme. All costs and expenses plus Value-Added Tax ("VAT") incurred in respect of such *Assets* or incurred in any investment structure in relation to such *Assets* shall be taken into account before determining the aforesaid value. For sake of clarity the costs referred to above include, but is not limited to, the remuneration (plus VAT) payable to underlying financial services providers in relation to any such *Assets*, appointed in terms of such investment structures or levied by other collective investment schemes in which the Alexander Forbes Investments QIF Hedge Fund Scheme portfolios invest;

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24.2.5 *Alexander Forbes Investments* will invest in collective investment scheme portfolios under the Alexander Forbes Investments QI Hedge Fund Scheme. Alexander Forbes Investments Unit Trusts Limited, which is a wholly owned subsidiary of Alexander Forbes Investments Holdings Limited, is the manager of the Alexander Forbes Investments QI Hedge Fund Scheme;

24.2.6 Alexander Forbes Investments Unit Trusts Limited has appointed Alexander Forbes Investments Administration (Pty) Limited, which is a wholly owned subsidiary of Alexander Forbes Investments Holdings Limited, to manage the assets comprising the Alexander Forbes Investments QI Hedge Fund Scheme and may appoint any other financial services providers to manage the assets of the collective investment scheme from time to time. *Alexander Forbes Investments* will notify the *Fund* in *Writing* of any such appointment by Alexander Forbes Investments Unit Trusts Limited;

24.2.7 Alexander Forbes Investments Unit Trusts Limited will earn management fees in respect of the management of assets comprising the Alexander Forbes Investments QI Hedge Fund Scheme;

The Alexander Forbes Investments QI Hedge Fund Scheme portfolios are fund of funds that invest in other collective investment schemes. The charges and fees levied by the underlying collective investment scheme portfolios are levied as a cost against the underlying collective investment scheme portfolios;

The *Fund* shall contact Alexander Forbes Investments Unit Trusts Limited for further information and promotional material if it intends to invest in the Hedge Fund Portfolios;

24.2.8 The *Fund* shall consult with its consultant or financial services provider to gain an understanding of the risks involved in investing in the Hedge Fund Portfolios;

24.2.9 The value of any *Policy Benefits* or *Consideration* and specifically the value of the Hedge Fund Portfolios may increase or decrease as a result of changes in the values of the underlying investments and any past investment returns or portfolio –benchmark returns are not necessarily indicative of or a guarantee or warranty of any future investment returns.

24.3 The *Fund* shall instruct *Alexander Forbes Investments* in *Writing* to invest the *Investment Amount* in the relevant Hedge Fund Portfolio and if in more than one Hedge Fund Portfolio, the proportion of the *Investment Amount* to be

invested in each *Portfolio*. However, *Alexander Forbes Investments* will only invest the *Investment Amount* or part thereof in the Hedge Fund Portfolio if it actually receives the *Investment Amount* or the relevant part thereof at least 5 (five) *Business Days* before the last *Business Day* of any *Calendar Month*.

24.4 Provided that *Alexander Forbes Investments* has actually received the *Written* instructions and payments referred to above, *Alexander Forbes Investments* will, subject to the proviso hereunder, allocate *Units* in the Hedge Fund Portfolio to and account for it in the *Fund's Account* at the *Unit Price* on the first *Business Day* of each *Calendar Month*. However in the event of exceptional circumstances prohibiting *Alexander Forbes Investments* to give effect to this provision, *Alexander Forbes Investments* will allocate *Units* in the Hedge Fund Portfolio to and account for it in the *Fund's Account* at the *Unit Price* on the first *Business Day* of the *Calendar Month* following the cessation of the exceptional circumstances or as soon as reasonably practically possible. *Alexander Forbes Investments* will inform the *Fund* in *Writing* of such exceptional circumstances as soon as reasonably possible.

For purposes of switching from the Hedge Fund Portfolios to another *Portfolio* or withdrawing from the Hedge Fund Portfolios for provision of *Policy Benefits* or payment of *Consideration*, as the case may be, the *Fund* shall at least 36 (thirty six) days prior to such switch or withdrawal, deliver a *Switch Form*, *Policy Benefits Claim* or a *Surrender Notice*, as the case may be, to *Alexander Forbes Investments*. Subject to the *Fund* complying with this provision, *Alexander Forbes Investments* will only process the switches and withdrawals contemplated above on the last *Business Day* of the *Calendar Month* after the 36 (thirty six) days – period referred to above.

25 ALTERNATIVE INVESTMENTS PORTFOLIOS, ALTERNATIVE ASSET CLASSES SUCH AS PRIVATE EQUITY PORTFOLIOS

25.1 *Alexander Forbes Investments* may in future introduce alternative investment portfolios, alternative asset classes such as private equity portfolios as an *Asset* in a *Portfolio* for purposes of this *Policy*.

25.2 Due to the nature of the investment structure governing these types of investments all investment related expenses are paid within the investment structure. The investment management fees payable to financial service providers for the management of assets in these alternative investment portfolios, and alternative asset classes such as private equity portfolios will be an *Expense* against the *Portfolio* and will be deducted from the *Portfolio* before calculating the *Unit Price*.

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- 25.3 Unless specifically specified and allowed as a *Nominated Portfolio*, the alternatives investments portfolios and alternative asset classes such as private equity portfolios will not be available as *Nominated Portfolios* and will only be used by *Alexander Forbes Investments* as part of the investment structure of a multi-manager portfolio.
- 25.4 All investments in an alternative investments portfolio and alternative asset classes such as private equity portfolios will be subject to all investment restrictions, terms and liquidity constraints governing these *Assets* and the provisions of clauses 8.3.1.2 will *mutatis mutandis* apply.
- 25.5 The *Policy Fees Schedule* stipulates how fees are charged in respect of the alternatives investments portfolios and alternative asset classes such as private equity portfolio.
26. **ALEXANDER FORBES NAMIBIA NAVIGATOR PORTFOLIO**
- 26.1 Notwithstanding anything to the contrary in any other part of this Policy, the provisions of this clause 26 shall apply to investments in Alexforbes Namibia Navigator Portfolio.
- 26.2 In the event of the Policy Benefits and surrender value in terms of this Policy being linked to the Alexforbes Namibia Navigator Portfolio the following definitions will, in addition to the general definitions stated in clause 1, apply:
- 26.2.1 Bonus: means the monthly, special and ad-hoc intra-month bonuses which may be positive, zero or negative as determined by the Alexander Forbes Investments from time to time in terms of clause 26.4;
- 26.2.2 Funding Level: means, at any time, the Market Value of the total assets in respect of the Alex Forbes Namibia Navigator Portfolio divided by the Book Value balance;
- 26.2.3 Involuntary Withdrawal: means any Written request by the Fund to Alexander Forbes Investments for provision of Policy Benefits or Consideration, as the case may be in terms of this Policy and as contemplated in the Rules arising as a result of a Member's retrenchment (including an involuntary early retirement offered as part of a retrenchment programme). Any retrenchment or retrenchment programme should be in accordance with Section 34 Of the Labour Act 11 of 2007;
- 26.2.4 Policy Benefits: means the Policy Benefits payable by Alexander Forbes Investments to the Fund on behalf of the Member under this Policy and as contemplated by the Rules: and
- 26.2.4.1 arising as a result of a Member's:
- 26.2.4.1.1 death;
- 26.2.4.1.2 disability;
- 26.2.4.1.3 dismissal;
- 26.2.4.1.4 divorce order settlement or a maintenance order;
- 26.2.4.1.5 resignation;
- 26.2.4.1.6 retirement on the normal retirement date as defined in the Rules;
- 26.2.4.1.7 retirement after normal retirement date as allowed and defined in the Rules; voluntary early retirement (including on grounds of ill-health) as allowed and defined in the Rules, proof of which may be requested by Alexander Forbes Investments from time to time, provided that in respect of retirement benefits payable by Alexander Forbes Investments to the Fund, such benefits shall constitute lump sum benefits only; or
- 26.2.4.1.8 withdrawal from retirement annuities if the balance falls below the prescribed amount;
- 26.2.4.1.9 emigration recognised in accordance with applicable law.
- 26.2.5 in respect of any expenses allocated to a Member by Alexander Forbes Investments;
- 26.2.6 Terminations, switches, Involuntary Withdrawals and Transfers in respect of Section 14 of the Pension Funds Act.
- 26.2.7 Book Value: means the value in the Fund Account as noted in the books of accounting as the value of the Assets in the Alexforbes Namibia Navigator Portfolio. This value is made up of net investments made on behalf of investors/ members plus (or minus) the bonus declared.

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- 26.2.8 Market Value: means the value of the underlying investment managed by Alexander Forbes Investments; balance of the Alexander Forbes Namibia Navigator Portfolio's Book Value at the beginning of the day of application.
- 26.2.9 Withdrawal Claim means any Written request by the Fund to Alexander Forbes Investments for provision of Policy Benefits or Consideration, as the case may be, for the purposes of giving effect to the choice of individual Members to reinvest the amount of the Policy Benefits or Consideration, as the case may be, in accordance with the Rules. 26.3.4 The monthly bonus rates, special bonus rates and ad-hoc intra-month bonus rates are not guaranteed and negative bonus rates can also be declared.
- 26.2.10 Alexander Forbes Investments will determine the value of the Policy Benefits for this Alexforbes Namibia Navigator Portfolio with reference to the Policy Benefits calculated and determined in terms of the Policy. 26.4 General requirements for requesting Policy Benefits
- 26.2.11 Alexander Forbes Investments does not guarantee the value of any Policy Benefit nor the value of the Bonus payable. 26.4.1 Should the Fund require Policy Benefits, the Fund shall submit a Policy Benefits Claim to Alexander Forbes Investments, or provide any such information which Alexander Forbes Investments may specify from time to time.
- 26.3 Alexforbes Namibia Navigator Portfolio Book Value and Bonus declarations. In terms of this Policy Alexander Forbes Investments will maintain a Book Value for purposes of the Policy Benefits'. 26.4.2 Alexander Forbes Investments will be entitled to request additional information to verify a request for a Policy Benefit. Where such additional information has been requested, payment of the Policy Benefits will be subject to Alexander Forbes Investments receiving and confirming the validity of the information requested
- Alexander Forbes Investments: 26.4.3 The Parties herewith record that there are different situations under which the Fund may receive Policy Benefits. The calculation of the Policy Benefits and the effect of the payment of the Policy Benefits differ depending upon which situation applies.
- 26.3.1 will account for all transactions affecting the value of the underlying assets held in Alexforbes Namibia Navigator Portfolio; 26.5 Provision of Policy Benefits
- 26.3.2 will on a monthly basis declare bonus rates (positive, zero or negative) on Alexforbes Namibia Navigator Portfolio. The effective daily bonus rate shall be applied to the balance in the Alexforbes Namibia Navigator Portfolio at the beginning of each day and such amount shall be credited or debited to the Portfolio at the end of each day; 26.5.1 All Policy Benefits will be paid subject to the provisions of clauses 26.5.2, 26.5.3 and 26.11 which are stated below.
- 26.3.3 may declare monthly special bonus rates, or intra-month ad-hoc bonus rates, to manage cross-subsidies between Members invested in the Alexforbes Namibia Navigator Portfolio and/or to manage the funding level. An immediate intra-month ad-hoc bonus will be declared if the funding level of the portfolio is below 90% or above 110% and will be applied immediately to the 26.5.2 Where a Fund has not allowed its Members individual choices as to the investment of their contributions, Alexander Forbes Investments will fund all cashflows out of the Fund in respect of Policy Benefits in a proportion not exceeding that part of the Fund's investments that is allocated to this Policy at the time of the payment. Cashflows out, in respect of Policy Benefits in excess of the proportion that the Fund's allocation in the Policy bears to the total value of the investments of the Fund at the time of the payment may be subject to market value adjustments. Alexander Forbes Investments reserves the right to request confirmation from the Fund's auditors, that net cashflows out have been funded in accordance with the terms of this clause 26.5.2. Where a Fund has allowed its Members individual choices as to

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the investment of their contributions, to the extent that any amount is payable by the Fund to a Member in terms of its Rules in respect of such Member's contribution which was invested in this Policy, the Policy Benefit payable by Alexander Forbes Investments to the Fund will be limited to that part of the amount payable by the Fund that is invested in this Policy in respect of that Member. Alexander Forbes Investments reserves the right to request confirmation from the Fund's auditors that payments from this Policy have been funded in accordance with the terms of this clause 26.5.2.

26.5.3 Alexander Forbes Investments will pay the Fund Policy Benefits in accordance with the following provisions:

26.5.3.1 Policy Benefits in respect of clause 26.4.1 and 26.2.4.2 will be paid at Book Value.

26.5.3.2 Policy Benefits in respect of clause 26.4.3. will be paid at in accordance with clauses 26.6. and 26.8.

26.6 Payment in respect of Involuntary Withdrawals

26.6.1 The Fund (on behalf its *Participating Employer*) may from time to time claim payments in respect of Involuntary Withdrawals from Alexander Forbes Investments. Provided instructions are clear, correct, legible and all information is materially complete, payments will be effected as per provisions of this Policy. Alexander Forbes Investments reserves the right to request additional information from the Fund where they become aware of payments for Involuntary Withdrawals, including evidence that the retrenchments are in accordance with Section 34 of the Labour s Act 11 of 2007.

26.6.2 Involuntary Withdrawals will be paid at Book Value, subject to the provisions of clauses 26.7.3, 26.7.4, 26.7.5 and to clause 26.9 which are stated below.

26.6.3 If the amount claimed in respect of Involuntary Withdrawals in respect of a *Participating Employer* in the *Fund* is expected to reduce the *Funding Level* by more than 2% (two percent), Alexander Forbes Investments reserves the right at its discretion, to adjust the amount paid in respect of Involuntary Withdrawals, such that remaining Members are not unfairly prejudiced.

26.6.4 If a *Participating Employer* in the Fund processes more than 1 (one) Involuntary Withdrawal over a

rolling 12 (twelve) month period, the Alexander Forbes Investments reserves the right, at its discretion, to adjust the amount paid in respect of Involuntary Withdrawals, such that remaining Members are not unfairly prejudiced.

26.6.5 In the event that the amount paid in respect of Involuntary Withdrawals is adjusted, as per clauses 26.7.3 or 26.7.4, the Alexander Forbes Investments may determine an amount that may be payable, subject to the amount being no less than the Book Value multiplied by the Funding Level, and no more than the Book Value, of the Involuntary Withdrawal and Alexander Forbes Investments shall subsequently pay the amount.

26.7 Payments in respect of Withdrawal Claims

26.7.1 Should the Fund require Policy Benefits for the purposes of giving effect to the choice of individual Members to reinvest the amount of the Policy Benefits in accordance with the Rules, the Fund shall submit a Withdrawal Claim to Alexander Forbes Investments.

26.7.2 The Withdrawal Claim shall contain:

26.7.2.1 the amount of the Policy Benefits required by the Fund,

26.7.2.2 a confirmation that the provision of Policy Benefits is for giving effect to the choice of individual Members to reinvest the amount of the Policy Benefits in accordance with the Rules.

26.7.3 The Fund shall submit with the Withdrawal Claim all documentation required and stipulated by Alexander Forbes Investments from time to time.

26.7.4 All payments in respect of Withdrawal Claims will be made as follows:

26.7.4.1 if the Funding Level is at least 100% (one hundred percent), then the claims will be paid at the Book Value; or

26.7.4.2 if the Funding Level is less than 100% (one hundred percent), the amount paid will be equal to the Book Value of the amount requested multiplied by the Funding Level; and

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- 26.7.4.3 Any Withdrawal Claim submitted by the Fund during a Calendar Month will be processed in the following Calendar Month on a date as advised by Alexander Forbes Investments from time to time.
- 26.8 Payments in respect of a Termination
- Should the Fund (*on behalf* of its *Participating Employer*) require Policy Benefits for purposes of partial or full termination of the Fund’s investment in the Alexander Forbes Navigator Portfolio, the Fund shall submit a termination claim to Alexander Forbes Investments at least 2 (two) Calendar Months’ notice in respect of the intended termination or withdrawal of the investment in the Alexander Forbes Namibia Navigator Portfolio.
- 26.8.1 All payments in respect of clause 26.8 will be made as follows:
- 26.8.1.1 if the Funding Level is at least 100% (one hundred percent), then the claims will be paid at Book Value; or
- 26.8.1.2 if the Funding Level is less than 100% (one hundred percent), the amount paid will be equal to the Book Value of the amount requested multiplied by the Funding Level; and
- 26.8.1.3 Any claim submitted by the Fund during a Calendar Month will be processed in the following Calendar Month on a date as advised by Alexander Forbes Investments from time to time
- 26.9 Section 14 Transfers
- Should the Fund require Policy Benefits to give effect a Section 14 Transfer, the Fund shall submit a claim to Alexander Forbes Investments.
- 26.9.1 The claim shall contain the following information:
- i. the amount of the Policy Benefits required by the Fund,
- ii. a confirmation that the provision of Policy Benefit is to give effect to a Section 14 Transfer.
- 26.9.2 Alexander Forbes Investments shall upon receipt of the claim and all required documentation process the request. The Fund shall give Alexander Forbes Investments 2 (two) month’s Written notice specifying the date on which such transfer is to be duly processed (the Effective s14 Transfer Date”), to pay the amount (as prescribed below) to Alexander Forbes Investments (the “Transfer Amount”). The Transfer Amount to be paid by Alexander Forbes Investments to the Fund shall be determined as follows on the Effective s14 Transfer Date, for the Members undergoing the Section 14 Transfer:
- 26.9.2.1 if the Funding Level is at least 100% (one hundred percent), then the amount to be transferred will be equal to the Book Value of the amount requested in respect of such Members as at the Effective s14 Transfer Date; or
- 26.9.2.2 if the Funding Level is less than 100% (one hundred percent), the amount to be transferred will be equal to the Book Value of the amount requested in respect of such Members multiplied by the Funding Level as at the Effective s14 Transfer Date; and
- 26.9.2.3 Any claim submitted by the Fund during a Calendar Month will be processed in the following Calendar Month on a date as advised by Alexander Forbes Investments from time to time.
- 26.10 Switch
- 26.10.1 When the Fund elects to request Alexander Forbes Investments to switch between the Alexforbes Namibia Navigator Portfolio to another Portfolio, the Fund shall deliver a duly signed and properly completed Switch Form to Alexander Forbes Investments and may only switch once a month on the same day every month. In case of a switch of a Member in an in-fund preservation one calendar months’ notice is required before the transfer can be made.
- 26.10.2 All switches received over a calendar month will be processed on the 12th of the next month (or the next business day of it falls on a weekend or public holiday. The value of the Assets when switches are proceed are subject to the Market Value of the Alexforbes Navigator Namibia portfolio.
- 26.10.3 Alexander Forbes Investments shall only conduct the switch upon the actual receipt of a duly signed

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and properly completed Switch Form from the Fund, and shall only make subject to the provisions of this Policy.

26.11 Maximum Liability

The extent of Alexander Forbes Investments' liability in terms of this Alexforbes Namibia Navigator Portfolio, shall at all times be limited to the Book Value for Involuntary Withdrawals or Book Value multiplied by the Fund level for selective events (if the Fund Level is less than zero) of the amount requested in respect of such Member/s.

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SPECIAL CONDITIONS

Should any special conditions apply to this *Policy* the full text will be printed here.

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POLICY FEES SCHEDULE

1.1. Market Related Portfolios

The *Policy Fees* payable in terms of this *Policy* include the investment management fees, payable by *Alexander Forbes Investments* to its *Investment Manager* in respect of its *Portfolios*, but exclude the performance fees payable by *Alexander Forbes Investments* to its *Investment Managers* and exclude the investment management fees and performance fees payable by *Alexander Forbes Investments* to an *Investment Manager* that forms part of *Expenses*.

Alexander Forbes Investments receives no performance fees.

Alexander Forbes Investments shall levy *Policy Fees* in respect of its *Assets* in all market related *Portfolios* on the value of the *Interest of the Fund in the Nominated Portfolios* at the following rates and on the following basis.

<i>Portfolios</i>	Fee Scale per annum		
	Local	Global	Combined (Local and Global)
AF Namibia Moderate Growth			
First N\$50 million or part thereof	0.70%	0.80%	
Next N\$50 million or part thereof	0.60%	0.80%	
Next N\$100 million or part thereof	0.50%	0.80%	
Next N\$300 million or part thereof	0.40%	0.80%	
Balance over N\$500 million	0.30%	0.80%	
AF Namibia Balanced Growth			
First N\$50 million or part thereof	0.80%	0.90%	
Next N\$50 million or part thereof	0.70%	0.90%	
Next N\$100 million or part thereof	0.60%	0.90%	
Next N\$300 million or part thereof	0.50%	0.90%	
Balance over N\$500 million	0.40%	0.90%	
AF Namibia High Growth			
First N\$50 million or part thereof	0.85%	1.00%	
Next N\$50 million or part thereof	0.75%	1.00%	
Next N\$100 million or part thereof	0.65%	1.00%	
Next N\$300 million or part thereof	0.55%	1.00%	
Balance over N\$500 million	0.45%	1.00%	
AF Namibia Conservative Growth			
First N\$50 million or part thereof	0.6%	0.80%	
Next N\$50 million or part thereof	0.5%	0.80%	
Next N\$100 million or part thereof	0.4%	0.80%	
Next N\$300 million or part thereof	0.3%	0.80%	
Balance over N\$500 million	0.2%	0.80%	
AF Namibia Protector Portfolio			
First N\$50 million or part thereof	0.65%	0.75%	
Next N\$50 million or part thereof	0.55%	0.75%	
Next N\$100 million or part thereof	0.50%	0.75%	

<i>Portfolios</i>	Fee Scale per annum		
	Local	Global	Combined (Local and Global)
Next N\$300 million or part thereof	0.45%	0.75%	
Balance over N\$500 million	0.40%	0.75%	
Namibia Performer¹			
First N\$50 million or part thereof	-		0.80%
Next N\$50 million or part thereof	-		0.76%
Next N\$100 million or part thereof	-		0.72%
Next N\$300 million or part thereof	-		0.65%
Balance over N\$500 million	-		0.60%
For the purpose of determining the Policy Fees in respect of the local Assets as set out above, Alexander Forbes Investments shall at the close of each day calculate the aggregate value of the Fund's investment in all the Nominated Portfolios held by Alexander Forbes Investments in respect of this Policy and thereafter apply the above mentioned rates to this aggregate value. Alexander Forbes Investments shall deduct these Policy Fees in such proportions from the Nominated Portfolios as determined by Alexander Forbes Investments from time to time.			
Portfolios listed below are excluded from aggregation as contemplated above			
Namibian Banker	0.35%		
Alexforbes Namibia Navigator¹			
First N\$50 million or part thereof	-		1.00%
Next N\$50 million or part thereof	-		0.96%
Next N\$100 million or part thereof	-		0.82%
Next N\$300 million or part thereof	-		0.70%
Balance over N\$500 million	-		0.65%

Key: ¹. The *Policy Fee* is subject to changes in law and prevailing offshore investment limits. The calculation of the *Policy Fee* is on the assumption that the *Investment Managers* have amended the portfolios to conform to the allowable offshore investment limits as amended by the Bank of Namibia from time to time. *Policy Fees* are updated accordingly and are available upon request.

All fees are per annum, inclusive of VAT and the underlying asset manager fees.

Alternative Investment Portfolios, alternative asset classes such as private equity portfolios

All investments held in alternative investment portfolios and alternative asset classes such as private equity portfolios will be net priced portfolios. The investment management fees payable to *Investment Managers* (if any) or product suppliers and financial service providers for the management of assets in an alternative investment portfolios for the management of these *Assets* or *Portfolios* will be an *Expense* against the *Portfolio* and will be deducted from the *Portfolio* or *Asset* before calculating the *Unit Price* and be part of *Expenses*.

1. THE HEDGE FUND - RISK DISCLOSURES

The risks and characteristics contained in this appendix and outlined immediately hereunder represent some of the more general risks and characteristics prevalent in hedge fund portfolios. The list below should not be seen as exhaustive. As more risks and characteristics are identified that were not initially mentioned in this appendix, then such risks and characteristics will, as they become prevalent, be included herein.

1.1. Investment strategies may be inherently risky

Hedge fund strategies may include leverage, short-selling and short term investments. In addition, hedge fund portfolios often invest in unlisted instruments, low-grade debt, foreign currency and other exotic instruments. All of these expose investors to additional risk. However, not all hedge fund managers employ any or all of these strategies and it is recommended that investors consult their advisers in order to determine which strategies are being employed by the relevant manager and which consequent risks arise.

1.2. Leverage usually means higher volatility

Hedge fund managers may use leverage. This means that the hedge fund manager borrows additional funds, or trades on margin, in order to amplify his investment decisions. This means that the volatility of the hedge fund portfolio can be many times that of the underlying investments. The degree to which leverage may be employed in any given hedge fund portfolio will be limited by the mandate the client has with the manager. The limits laid down by the mandate should be carefully reviewed in making an investment decision

1.3. Short-selling can lead to significant losses

Hedge fund managers may borrow securities in order to sell them short, in the hope that the price of the underlying instrument will fall. Where the price of the underlying instrument rises, the client can be exposed to significant losses, given that the manager is forced to buy securities (to deliver to the purchaser under the short sale) at high prices.

1.4. Unlisted instruments might be valued incorrectly

Hedge fund managers may invest in unlisted instruments where a market value is not determined by willing buyers and sellers. The hedge fund manager may have to estimate the value of such instruments, and these estimates may be inaccurate, leading to an incorrect impression of the fund's value. Investors should ensure that objective valuations are performed for all instruments in a portfolio and that the manager utilises the services of a competent administrator.

1.5. Fixed income instruments may be low-grade

Hedge fund managers may invest in low-grade bonds and other fixed interest investments. These investments are more likely to suffer from defaults on interest or capital. They are also more likely to have volatile valuations when the market changes its view on credit risk. The mandate should also limit the extent (i.e. lowest acceptable rating and maximum percentage exposure) to which low grade debt can be acquired by the client. Investors should review the mandate to gain an appreciation of the maximum possible exposure applicable to the relevant mandate.

1.6. Exchange rates could turn against the fund

A hedge fund manager might invest in currencies other than the base currency. For example, a South African hedge fund manager might invest in UK or US shares. The portfolio is therefore exposed to the risk of the rand strengthening or the foreign currency weakening.

1.7. Other complex investments might be misunderstood

In addition to the above, hedge fund managers might invest in complex instruments such as but not limited to futures, forwards, swaps, options and contracts for difference. Many of these will be derivatives, which could increase volatility. Many will be “over-the-counter”, which could increase counterparty risk. Many exotic instruments may also be challenging for the manager to administer and account for properly. Investors should enquire into how these instruments are objectively and independently valued.

1.8. The client may be caught in a liquidity squeeze

Given their often short term nature, hedge fund managers need to be able to disinvest from or close certain positions quickly and efficiently. But market liquidity is not always stable, and if liquidity were to decrease suddenly, the hedge fund manager might be unable to disinvest from or close such positions rapidly or at a good price, which may lead to losses.

1.9. The prime broker or custodian may default

Hedge fund managers often have special relationships with so-called “prime” brokers. These are stock-brokers that provide the required leveraging and shorting facilities. Prime brokers usually require collateral for these facilities, which collateral is typically provided using assets of the relevant client, and consequently such collateral might be at risk if the prime broker were to default in some way. A similar situation could occur with the custodian of the client’s funds.

1.10. Regulations could change

Legal, tax and regulatory changes could occur during the term of the investor’s investment in a hedge fund portfolio that may adversely affect it. The effect of any future legal, tax and regulatory change or any future court decision on a hedge fund portfolio could be substantial and adverse.

1.11. Past performance might be theoretical

Hedge fund portfolios are on occasion marketed using theoretical or paper track records. Past performance is seldom a reliable indicator of future performance. Theoretical past performance is often an even less reliable indicator, and investors should place a lower significance on these.

1.12. The manager may be conflicted

The hedge fund manager might be managing other hedge fund portfolios or other traditional investment funds. The investor should ensure that sufficient controls are in place to manage any conflicts of interest between the different funds.

2. **THE OTHER DIFFERENCES IN HEDGE FUND PORTFOLIOS**

2.1. Hedge fund structures are often complex

As mentioned above, hedge funds structures are not fully regulated and they are often housed in legal structures not originally meant for pooled funds, for example partnerships and companies. Given the many risks listed above, investors need to ensure that any structure is robust enough to contain any unlimited losses.

2.2. Manager accountability may be vague

Hedge fund portfolios are often managed by specific individuals and investors should ensure that sufficient controls are in place for the times when the manager is being covered for by colleagues. In addition, a hedge fund structure (for example, a fund of funds) and its managers or advisors may rely on the trading and/or investing expertise and experience of third-party managers or advisors, the identity of which may not be disclosed to investors. This constitutes an additional risk for investors, which they must take into account.

2.3. Fees might be high

Hedge fund structures fees may be significantly higher than the fees charged on traditional investment funds. Investments should be made only where the potential returns justify the higher fees.

2.4. Fees might be performance-based

Hedge fund manager's fees are usually performance-based. This means that the managers typically get a higher fee when their portfolios outperform specified performance targets, which might lead to riskier positions being taken. Investors need to ensure that performance fees allow for a fair sharing of both the good and the bad.

2.5. Transaction costs might be high

Given the often short term nature of investment positions, hedge fund portfolios are often traded more aggressively. This implies more stock-broking commission and charges being paid from the portfolio, which is ultimately for the client's account. Again investments should be made only where the potential returns make up for the costs.

2.6. Transparency might be low

A hedge fund manager's performance is often the result of unique proprietary strategies or contrarian investment positions. For obvious reasons, managers will want to keep these confidential. Managers are therefore less likely to disclose trades to their investors, and holdings might be disclosed only in part or with a significant delay.

2.7. Dealing and reporting might be infrequent

A hedge fund manager's performance can often be disturbed by irregular cash flows into or out of the hedge fund structure. For this reason, hedge fund managers often limit the frequency of investments and withdrawals. Similarly, the manager may choose to report infrequently on performance and other statistics. Investors should ascertain, prior to investing, the nature and frequency of reporting.

2.8. Withdrawals might not be easy

As mentioned above, the frequency of withdrawals might be limited to monthly or quarterly dates. In addition, the manager may impose notice periods or lock-ins in order to ensure that he has the necessary time for his investment positions to deliver their desired results.

ALTERNATIVES INVESTMENT RISK DISCLOSURES

There are various risks and characteristics prevalent in investing in Alternative Investments portfolios which the *Policyholder* must consider when investing in alternative investment portfolios. *Alexander Forbes Investments* has a list of general risks and characteristics prevalent to alternative investment portfolios which are available at www.alexforbes.com and which has been provided in this Appendix 2.

1. Private Equity Portfolio Risk Disclosures

The risks and characteristics contained below represent some of the more general risks and characteristics prevalent in investing in Private Equity portfolios. The list below should not be seen as exhaustive. As more risks and characteristics are identified that were not initially mentioned below, then such risks and characteristics will, as they become prevalent, be included herein.

Prospective investors should also note that there are general risks associated with Investments in Private Equity portfolios including, but not limited, to the following:

- 1.1 The market for private equity investments is subject to fluctuations and may significantly diminish owing to changes in interest rates, availability of financing (including senior credit, mezzanine, bank debt and high yield) and general market conditions. A disruption in the market for private equity investments may have an impact in the underlying investments held via a Private Equity Building Block Portfolio.
- 1.2 The investment management companies that manage private equity investments often rely on the management talents, skills and efforts of a small group of specialist persons and as a result, the resignation, retirement, death, disability or otherwise of one or more of those persons could have a material adverse impact on the business and its prospects including on the investments already made.
- 1.3 Generally there is limited publicly available information about companies in which private equity investments are made, and investors in those companies rely on the ability of the sponsor to obtain adequate information for purposes of evaluating potential, and making fully informed investment decisions.
- 1.4 There may not be a liquid secondary market for limited interests and/or investments held in private equity investment structures. An investment of this type should be regarded as long-term in nature and may not be suitable for short term investment.
- 1.5 A significant portion of the investments are limited interests held in traditional private equity limited liability fund structures. The investment managers of such limited fund partnerships may not have active role in the day-to day management of the underlying portfolio companies. The private equity fund structure may hold non-controlling interests in the underlying portfolio companies and generally may only have a limited ability to protect the interests of the fund partnership and to influence such company's management.
- 1.6 The market for private equity investment opportunities is highly competitive. Identifying and consummating equity and debt investments is also highly competitive and may involve a degree of uncertainty.

2. Risk associated with investments in infrastructure assets

Investments in infrastructure will be subject to the risks incidental to the ownership, construction and operation of such assets, including risks associated with the general economic climate, geographic or market concentration, the ability of the underlying investment fund to manage the investment, technical problems, financial failures of operating or construction sub-contractors, government regulations, and fluctuations in interest rates.

In addition, general economic conditions in domestic and international financial markets, may adversely affect operations of the underlying investment fund. In particular, because of the long lead time between the inception of a project and its completion, a well-conceived project may become an economically unattractive investment as a result of changes in investor sentiment, the financial markets, economic, or other conditions prior to its completion.

2.1 Construction Risk

The underlying investment fund may hold investments in a number of development or greenfield projects. The development of greenfield infrastructure includes a degree of risk associated with the construction of the asset, including the risk that the project will not be completed within budget, within the agreed timeframe, or to the agreed specification.

While this risk is typically mitigated to a large extent by provisions in the construction contract for payment by the construction contractor of liquidated damages and other penalties, investors may be exposed to any losses not covered by such provisions or to the financial failure of the contractor.

The underlying investment fund may remain at risk if, following construction completion, as a result of site defects that were not discovered or contamination of the site that may have been caused by the construction contractor, losses are incurred.

There may be a limit to the liquidated damages available to the underlying investment fund from the construction contractor, particularly in the event of the construction contractor's financial failure.

Should any of the above risks materialise in relation to any infrastructure investment of the underlying investment fund, they could have an adverse effect on the value of the relevant investment which could, in turn, have a corresponding effect on the underlying investment fund's financial position and/or its results.

2.2 Land ownership risk

In many cases, governments make use of a leasehold land system in order to ensure that development of the land, by the lessee, takes place within a reasonable period of time; failing which, such governments may refuse to renew the lease or concession and may reclaim the land. While the Fund will employ reliable local legal counsel to perform due diligence on land matters and will only proceed with Investments where there is certainty over the land ownership and lease obligations, the underlying investment fund may not be able to completely mitigate potential risks related to land rights or the renewal of any leases or concessions, and the related impact on underlying investment fund's ability to exit through the sale of the infrastructure assets due to the lease or concession terms.

2.3 Environmental Risks

The operations of the infrastructure investment companies are subject to numerous statutes, rules and regulations relating to environmental protection. There is the possibility of existing or future environmental contamination, including soil and groundwater contamination, as a result of the spillage of hazardous materials or other pollutants.

Under various environmental statutes, rules and regulations, a current or previous owner or operator may be liable for non-compliance with the applicable environmental and health and safety requirements and for the costs of investigation, monitoring, removal, or remediation of hazardous materials. These laws often impose liability whether or not the owner or operator knew of, or was responsible for, the presence of hazardous materials. The presence of these hazardous materials on a property could also result in personal injury, property damage or similar claims by private parties.

Any liability of underlying investment portfolio companies resulting from noncompliance or other claims relating to environmental matters could have an adverse effect on the value of the investments in such underlying investment portfolio companies.

2.4 Price or tariff rate risk

The underlying investment fund may invest in portfolio companies that derive all of their revenues from collecting tariffs from the public using the services. The tariffs that are applicable to such services are set forth in the respective concession agreements entered into by or on behalf of the underlying investment fund or the relevant portfolio company and the relevant government body.

After execution of a concession agreement, the relevant government bodies may seek to limit such portfolio company's ability to increase tariffs, or may seek to reduce tariffs outside the scope of the respective concession agreements, as a result of factors such as general economic conditions, negative consumer perceptions of increases in tariffs, the prevailing rate of inflation, use of the service, and public sentiment about prevailing tariffs.

2.5 Sovereign risk

The concessions of certain infrastructure investments are granted by government bodies and are subject to special risks, including the risk that the relevant government bodies will exercise sovereign rights and take actions contrary to the rights of the underlying investment fund or the relevant portfolio company under the relevant concession agreement. There can be no assurance that the relevant government bodies will not legislate, impose regulations or change applicable laws or act contrary to the law in a way that would adversely affect the business of the underlying investment fund's portfolio companies.

2.6 Competition risk

The underlying investment fund may invest in portfolio companies that construct or maintain and operate infrastructure assets in a highly competitive environment. The underlying investment fund will compete with other consortia and companies for infrastructure Investments. These competitors, which include large construction and engineering groups and financial investors, may have sizeable financial resources and may be able to present bids with competitive terms. As a result of such competition, the underlying investment fund may have difficulty in making certain infrastructure investments.

Additionally, the underlying investment fund may incur costs in unsuccessful tenders which it is unable to recover. The occurrence of bid costs is subject to approval from the underlying investment fund's governance structures.

Furthermore, during the commitment period the management fees are calculated based on the commitments to the underlying fund and not amounts committed to investments by the underlying investment fund. As such the payment of management fees will have an increased impact on the returns of the underlying investment fund where it has made fewer investments than would otherwise be the case if it had been fully committed to Investments. If the underlying investment fund fails to make new investments, is unsuccessful in tenders or makes investments under less favourable terms, the underlying investment fund's financial condition and results of operations could be adversely affected.

Furthermore, once infrastructure assets of investments become operational, they may face competition from other infrastructure assets in the vicinity of the assets they operate, the presence of which depends in part on government plans and policies. For example, an increase in the number and convenience of alternative routes and competition from

other modes of transportation could reduce traffic on toll roads operated by the portfolio companies thus adversely affecting performance.

Such competition may adversely affect the underlying investment fund's business, financial conditions and results of operations.

2.7 Demand and usage risk

Even though the underlying investment fund will target assets with low demand and usage risk, variances in the demand and usage can affect the performance of investments. To the extent that the underlying fund manager's assumptions regarding the demand and usage of assets prove incorrect, returns to investors could be adversely affected.

2.8 Valuation risk

The executives of the fund manager for the underlying investment fund and its advisors will prepare the valuation of the assets owned by the underlying investment fund. Given the nature of infrastructure assets, such valuation may be complex and the fund manager may engage qualified valuation professionals to assist in this determination; however it is not required to do so. In addition, there may be a relative scarcity of market comparables on which to base the valuation of the underlying investment fund's assets.

Furthermore, the financing of infrastructure projects is inherently subjective as regards value due to the individual nature of each project, the potential lack of marketability and the potential unavailability of suitable information for determining the applicable value. As a result, valuations are subject to uncertainty. Valuation reports are made on the basis of certain assumptions which may not prove to reflect the true position.

2.9 Community risk

The investments made by the underlying investment fund may be subject to backlash from a community in which such Investments are made. Local communities may oppose an investment arguing that the unrestrictive entrance of the underlying investment fund into that community's infrastructure market may cause the decline, or even the closure, of local businesses and consequently the loss of many jobs due to, amongst others, a potential increase of imports over local suppliers. Local labour and civil society groups may add to such backlash if portfolio companies are unable to ensure business-friendly treatment of local firms and acceptable conditions of work for low-skilled workers from the outset.

Upon making an investment, the underlying investment fund may have difficulty proving to community leaders that the benefits outweigh the economic and political costs, especially since infrastructure is a visible sector and the return of capital and the realization of gains, if any, from an investment may not occur until the partial or complete disposition of such investment. Upon the underlying investment fund's exit from an investment, the infrastructure assets will remain, however, the technical and capital input provided by the underlying investment fund will no longer be available. Community leaders may therefore oppose an investment in their community given the underlying investment fund's inevitable exit from such an investment.

In order to achieve the desired returns for the underlying investment fund, portfolio companies in which the underlying investment fund invests must often raise charges, rates and tariffs early on. Electricity rates, telephone bills, toll-road fees, and other similar charges, rates or tariffs are often immediately apparent to a broad range of users, including retail consumers and industrial customers. Users of the services provided by portfolio companies may react negatively to any adjustment to the applicable charges, rates or tariffs, or public pressure may cause relevant government authorities to challenge the same.

For example, motorists may react adversely to toll rates by avoiding tolls or refusing to pay tolls, resulting in lower traffic volumes and reduced toll revenues. In addition, adverse public opinion or lobbying efforts by specific interest groups could result in governmental pressure on portfolio companies to reduce their tariffs or to forgo planned rate

increases. The fund manager cannot guarantee that government bodies with which portfolio companies have concession agreements will not try to exempt certain users or negotiate lower charges, rates or tariffs. If public pressure or government action forces portfolio companies to restrict their charges, rates or tariffs, and they are not able to secure adequate compensation to restore the economic balance of the relevant concession agreement, the underlying investment fund's business, financial condition and results of operations could be adversely affected.

2.10 Investment term risk

The underlying investment fund may make Investments that may not be advantageously disposed of prior to the date that the underlying investment fund will be dissolved, either by expiration of the underlying investment fund's term or otherwise. Although the fund manager expects that investments will be disposed of prior to dissolution or be suitable for in-kind distribution at dissolution and the general partner has a limited ability to extend the term of the underlying investment fund, the underlying investment fund may have to sell, distribute or otherwise dispose of Investments at a disadvantageous time as a result of dissolution. In addition, although upon the dissolution of the underlying investment fund the general partner (or the relevant liquidator) will attempt to reduce to cash and cash equivalents such assets of the underlying investment fund as the general partner or such liquidator shall deem it advisable to sell, subject to obtaining fair value for such assets and any tax or other legal considerations, there can be no assurances with respect to the time frame in which the winding-up and the final distribution of proceeds to the relevant investors will occur.

3. Risks associated with investments in unlisted credit

3.1 Creditworthiness of the issuer

The value of debt securities may change significantly depending on economic and interest rate conditions as well as the credit worthiness of the issuer. Issuers of debt securities may fail to meet payment obligations or the credit rating of debt securities may be downgraded. These risks are typically increased for emerging market and below investment grade debt securities.

3.2 Unrated unlisted debt

The credit worthiness of unrated securities is not measured by reference to an Independent credit rating agency.

3.3 Convertible Securities

Convertible securities may be subject to the risks associated with both debt and equity securities, and to risks specific to convertible securities. Their value may change significantly depending on economic and interest rate conditions, the creditworthiness of the issuer, the performance of the underlying equity and general financial market conditions.

In addition, issuers of convertible bonds may fail to meet payment obligations and their credit ratings may be downgraded. Convertible bonds may also be subject to lower liquidity than the underlying equities.

3.4 Prepayment of debt by portfolio companies

The underlying fund is subject to the risk that the investments made in the portfolio companies may be repaid prior to maturity. When this occurs, the prepayment proceeds will generally be reinvested in temporary investments, pending their future investment in new portfolio companies. These temporary investments will typically have substantially lower yields than the debt being prepaid and could experience significant delays in reinvesting these amounts.

Any future investment in a new portfolio company may also be at lower yields than the debt that was repaid. As a result, the investment returns of the underlying fund could be materially adversely affected if one or more of the portfolio companies elect to prepay amounts owed to the underlying fund. Additionally, prepayments, net of prepayment fees, could negatively impact the return on equity.

3.5 Corporate Debt

Where the underlying fund acquires interests in corporate debt, it depends primarily upon the creditworthiness of the borrower or issuer for payment of principal and interest (as well as the creditworthiness of the institution selling the participation where an interest is acquired by way of participation).

Corporate debt may not be rated by any nationally recognised rating agency. Corporate debt that is fully secured offers an underlying fund more protections than unsecured corporate debt in the event of non-payment of scheduled interest or principal. However, there is no assurance that the liquidation of collateral from corporate debt would satisfy the borrower's or issuer's obligation, or that the collateral can be liquidated. Indebtedness of borrowers or issuers whose creditworthiness is poor involves substantially greater risks, and may be highly speculative.

Borrowers or issuers that are insolvent or restructuring may never pay off their indebtedness, or may pay only a small fraction of the amount owed. The market for lower-rated or unrated corporate debt may be more severely affected than some other financial markets by economic recession or substantial interest rate increases, by changing public perceptions of this market or by legislation that limits the amounts to be invested in these securities. It is likely that any economic downturn could adversely affect the ability of the issuers of corporate debt to repay principal and pay interest thereon and increase the incidence of default for such assets.

In addition, the secondary market may be less liquid for lower rated or unrated corporate debt. This reduced liquidity at certain times may affect the value of these assets, may make the valuation and sale of these assets more difficult and may result in greater volatility in these assets. As such assets are difficult to value, particularly during erratic markets, and the values realised upon the sale of such assets may differ from the values at which they are carried by the underlying fund. Assets in the lowest rating categories or which are unrated may be in poor standing or likely to be affected by events of default.

3.6 Subordinated debt

Investments made by an underlying fund into subordinated debt investments will generally rank junior in priority of payment to senior debt and will generally be unsecured. This may result in a heightened level of risk and volatility or a loss of principal, which could lead to the loss of the entire investment. These investments may involve additional risks that could adversely affect investment returns. To the extent interest payments associated with such debt are deferred, such debt may be subject to greater fluctuations in valuations, and such debt could subject the underlying fund to non-cash income.

3.7 Mezzanine Debt

Where the underlying fund invests in Mezzanine debt securities, generally Mezzanine debt securities will have ratings or implied ratings below investment grade. They will be obligations of companies, partnerships or other entities that are generally unsecured, typically are subordinated to other obligations of the borrower and generally have greater credit and liquidity risk than is typically associated with investment grade corporate obligations. Accordingly, the risks associated with mezzanine debt securities include a greater possibility that adverse changes in the financial condition of the borrower or in general economic conditions (including a sustained period of rising interest rates or an economic downturn) may adversely affect the borrower's ability to pay principal and interest on its debt.

Many borrowers on mezzanine debt securities are highly leveraged, and specific developments affecting such borrowers, including reduced cash flow from operations or the inability to refinance debt at maturity, may also adversely affect such borrowers' ability to meet debt service obligations.

Mezzanine debt securities are often issued in connection with leveraged acquisitions or recapitalizations, in which the issuers incur a substantially higher amount of indebtedness than the level at which they had previously operated. Default rates for mezzanine debt securities have historically been higher than has been the case for investment grade securities.

4 Impact of Economic recessions or downturns on portfolio companies

Many of the portfolio companies into which the underlying fund may invest are likely to be susceptible to economic recessions or downturns and may be unable to repay the debt investments during these periods. Therefore, non-performing assets are likely to increase, and the value of a portfolio is likely to decrease during these periods.

Adverse economic conditions may also decrease the value of any collateral securing senior secured debt. A prolonged recession may further decrease the value of such collateral and result in losses of value in a portfolio and a decrease in the NAV of the underlying fund.

Unfavourable economic conditions also could increase funding costs, limit access to the capital markets or result in a decision by lenders not to extend credit on the terms deemed acceptable. These events could increase defaults and prevent the underlying funds from increasing investments and adversely affect portfolio returns.

APPENDIX 3

1. Particulars of *Alexander Forbes Investments* as Registered Long-term Insurer

Name: Alexander Forbes Investments Namibia Limited

Registration no: 99/228

Telephone Number: +264 61 293 7101

Facsimile Number: +264 61 378 679

Postal Address: PO Box 25477, Windhoek, Namibia

Physical Address: Alexander Forbes House
27 Fidel Castro Street
Windhoek
Namibia

Long-term Insurance Registration Number: 01/LT/10

2. Particulars of the Registrar for Long-term Insurance

Name: The Registrar of Long-term Insurance

Telephone number: +264 61 290 5000

Facsimile number: +264 61 2905194

Postal address: PO Box 21250, Windhoek, Namibia

Physical address: Lower Ground Floor Gutenberg Plaza
51-55 Werner List Street, Windhoek, Namibia

(On Fund's Letterhead)

RESOLUTION

Resolution of the Trustees of the _____ (Registration Number _____) ("**the Fund**") passed at

_____ on the _____ day of _____.

WHERE IT IS RESOLVED THAT:

1. The Fund concludes a Long-term Insurance *Policy* ("**the Policy**") with Alexander Forbes Investments Namibia Limited ("**Alexander Forbes Investments**") in the form attached hereto, which the Fund hereby warrants that it may enter into in terms of its constitutive documents and which warranty extends to the Fund notifying *Alexander Forbes Investments* of any amendments to the constitutive documents which will have an effect on *the Policy*.
2. _____ whose specimen signature appears hereunder, is hereby empowered and authorised in his/her capacity as Principal Officer of the *Fund* to act on behalf of the *Fund* in this matter, to determine and approve the terms and conditions that may apply with regard to the *Policy*, and to sign the *Policy* on behalf of the *Fund*.

SPECIMEN SIGNATURE:

(Name of Trustee)
Trustee

(Name of Trustee)
Trustee

(Name of Trustee)
Trustee

(Name of Trustee)
Trustee

ALEXANDER FORBES INVESTMENT NAMIBIA LTD (“ALEXANDER FORBES”) FIA FORM FOR FUNDS

1. Details of the Person representing the Retirement Fund to enter into the Linked Insurance Policy (Authorised representative)

Surname	
Previous surname (maiden)	
Full names	
Title	
Date of birth	
Identification number	
Passport number (if no ID provided)	
Expiry date (if no ID provided)	
Occupation	
Employer	
Email address	
Contact number	
Residential address	

2. Full Particulars of the Retirement Fund:

Registered name	
Trade name	
Registration number	
Country where registered	
Registered address	
Business address (if different than registered address)	
Nature of business	
Source of income	
Source of funds for premium (if different from source of income)	
Email address	
Contact number	
Postal address	

PRINCIPAL OFFICER

1. Name of principal officer: _____

2. Telephone number: _____

(Office and mobile)

3. ID number: _____

4. Postal address: _____

5. Business address: _____

6. Physical address: _____

7. Email address: _____

TRUSTEE 1

1. Name of trustee: _____

2. Telephone numbers: _____

(Office and Mobile)

3. ID number: _____

4. Postal address: _____

5. Business address: _____

6. Physical address: _____
7. Email address: _____

TRUSTEE 2

1. Name of trustee: _____
2. Telephone numbers: _____
(Office and Mobile)

3. ID number: _____
4. Postal address: _____

5. Business address: _____

6. Physical address: _____

7. Email address: _____

TRUSTEE 3

1. Name of trustee: _____

2. Telephone numbers:
(Office and Mobile)

3. ID number: _____

4. Postal address: _____

5. Business address: _____

6. Physical address: _____

7. Email Address: _____

TRUSTEE 4

1. Name of trustee: _____

2. Telephone numbers:
(Office and Mobile)

3. ID number: _____

4. Postal address: _____

5. Business address: _____

6. Physical address: _____

7. Email address: _____

TRUSTEE 5

1. Name of Trustee: _____

2. Telephone Numbers: _____
(Office and Mobile)

3. ID Number: _____

4. Postal Address: _____

5. Business Address: _____

6. Physical Address: _____

7. Email Address : _____

TRUSTEE 6

1. Name of trustee: _____

2. Telephone numbers: _____
(Office and Mobile)

3. ID number: _____

4. Postal address: _____

5. Business address: _____

6. Physical address: _____

7. Email address: _____

TRUSTEE 7

1. Name of trustee: _____

2. Telephone numbers: _____
(Office and Mobile)

3. ID number: _____

4. Postal address: _____

5. Business address: _____

6. Physical address: _____

7. Email address: _____

TRUSTEE 8

1. Name of trustee: _____

2. Telephone numbers: _____
(Office and Mobile)

3. ID number: _____

4. Postal address: _____

5. Business address: _____

6. Physical address: _____

7. Email address: _____

TRUSTEE 9

1. Name of trustee: _____

2. Telephone numbers: _____
(Office and Mobile)

3. ID number: _____

4. Postal address: _____

5. Business address: _____

6. Physical address: _____

7. Email address: _____

TRUSTEE 10

- 1. Name of trustee: _____

- 2. Telephone numbers: _____
(Office and Mobile)

- 3. ID number: _____

- 4. Postal address: _____

- 5. Business address: _____

- 6. Physical address: _____

- 7. Email address: _____

Confirmation Statement – Authorized Representative (Insured)

I, the undersigned, have verified that all information contained within this document is true and correct to the best of my knowledge.

Signature	Date	Initials, Surname and Capacity
------------------	------	---------------------------------------

Verification Statement – (By the representative of Alexander Forbes)

I, the undersigned, have identified the person named above in terms of Section 21 and/or Section 22 of FIA to the best of my ability, for and on behalf of Alexander Forbes, and have taken copies of authentic, reliable, independent source documents as annexed.

Signature	Date	Initials, Surname and Capacity Representing:
------------------	------	---

PROCESS DOCUMENT

1. THE FUND IS REQUIRED TO FURNISH THE FOLLOWING DOCUMENTS:
 - 1.1 CERTIFIED COPY OF NAMFISA REGISTRATION CERTIFICATE
 - 1.2 CONFIRMATION OF TRUSTEES BY NAMFISA
 - 1.3 RULES OF THE FUND, WITH NAMFISA ENDORSEMENT FO DATE OF REGISTRATION IN TERMS OF SECTION 4 OF THE PENSION FUNDS ACT, 24 OF 1956.
 - 1.4 RESOLUTION SIGNED BY ALL THE TRUSTEES OF THE FUND, AUTHORISING THE REPRESENTATIVE TO ENTER INTO THE POLICY
 - 1.5 CERTIFIED COPY OF BANK STATEMENT REFLECTING BANKING DETAILS OF THE FUND?

2. AUTHORISED SIGNATORY / PRINCIPAL OFFICER
 - 2.1 CERTIFIED COPY OF IDENTITY DOCUMENT/PASSPORT (IF FOREIGNER, PASSPORT ONLY) OF AUTHORISED REPRESENTATIVE, BOTH SIDES OF THE ID CARD MUST BE PRESENTED
 - 2.2 RECENT VALID PROOF OF ADDRESS I.E. UTILITY BILL MUST NOT BE MORE THAN THREE MONTHS OLD, FOR THE AUTHORISED REPRESENTATIVE).

3. TRUSTEE INFORMATION
 - 3.1 CERTIFIED COPY OF IDENTITY DOCUMENT/PASSPORT (IF FOREIGNER, PASSPORT ONLY), BOTH SIDES OF THE SMART ID CARD TO BE PRESENTED. (EACH ID MUST BE SAVED SEPARATELY)
 - A. _____
 - B. _____
 - C. _____
 - D. _____
 - E. _____
 - F. _____

 - 3.2 RECENT VALID PROOF OF ADDRESS I.E. (UTILITY BILL MUST NOT BE MORE THAN THREE MONTHS OLD).
 - A. _____
 - B. _____
 - C. _____
 - D. _____
 - E. _____
 - F. _____

4. SCREENING RESULTS
 - 4.1 SCREEN RESULTS FOR THE FUND OF FILE
 - 4.2 SCREEN RESULTS FOR THE PRINCIPAL OFFICER/ AUTHORISED REPRESENTATIVE
 - 4.3 SCREENING RESULT FOR THE TRUSTEES (EACH TRUSTEE RESULTS MUST BE SAVED SEPARATELY)