

ALEXANDER FORBES INVESTMENTS LIMITED

(REG. NO 1997/000595/06)

**115 West Street
Sandown
2196**

LINKED FUND POLICY DOCUMENT

(Including Policy Terms and Conditions)

Alexander Forbes Investments Limited hereby issues this Linked Fund Investment Policy as contemplated in terms of the Insurance Act 18 of 2017 as amended, and the Value Added Tax Act, 89 of 1991, as amended, on the terms and conditions set out in this Linked Fund Investment Policy ("*Policy*"). By signature of the execution clause in Section A, the *Parties* hereto, being Alexander Forbes Investments 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 Limited shall provide *Policy Benefits* to the *Fund* in terms of this *Policy*.

Policy Number

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Alexander Forbes Investments Limited

(Registration Number: 1997/000595/06)

Business Address:

115 West Street

Sandown, 2196

Tel No. (011) 505-6000

Website: www.alexforbes.com

Email: AFInvestqueryadmin@alexforbes.com

Version: Effective 01 September 2026

A ***INVESTMENT SCHEDULE***

FUND AND PORTFOLIO DETAILS

1. ***FUND***

Name : _____

FSCA Registration number : _____

Date of Registration with FSCA: _____

Approval number : _____

Fund Year End : _____

Source of Income: : _____

Source of Funds: : _____

Source of Wealth: : _____

Industry: : _____

Registered address of the *Fund*

Unit Number / Complex : _____

Street Number & Street Name: _____

Suburb : _____

City or Town : _____

Province : _____

Country : _____

Code : _____

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

Physical address : _____
: _____
: _____

Postal address : _____
: _____

Email address : _____
Responsible person:
(or otherwise as advised to AFInvestadmin@alexforbes.com from time to time)

Name : _____

Designation : _____

Email address : _____

Telephone number : _____

Fund's bank account details:
(for all payments to the Fund)
Please refer to Annexure 5 for the required documents.

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.com)

Name : _____

FSP number : _____

Physical address : _____
(for hand delivered
communications)
: _____
: _____

Postal address : _____
: _____
: _____

Responsible person:

(or otherwise as advised to AFInvestadmin@alexforbes.com from time to time)

Name : _____

Designation : _____

Email address : _____

Telephone number : _____

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.com)

The *Fund* agrees that *Alexander Forbes Investments* may contact the Administrators directly to obtain any necessary FICA documentation.

Name : _____

FSP number : _____

Physical address : _____

*(for hand delivered
communications)*

: _____

: _____

Postal address : _____

: _____

: _____

Responsible person:

(or otherwise as advised to AFInvestadmin@alexforbes.com from time to time)

Name : _____

Designation : _____

Email address : _____

Telephone number : _____

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).

Investment Portfolio	Code For office use only	Initial Investments R or %	Ongoing Investments	Ongoing Redemptions
Multi-Asset Class Portfolio Range				
Performer ¹	999			
Performer Local	997			
Accelerator ¹	4190			
Spectrum ¹	13			
Conserver ¹	11			
Moderate Balanced ¹	3613			
Shari’ah High Growth ²	3503			
Shari’ah Medium Growth ²	4295			
AF Explorer	4519			
Equity Portfolio Range				
Accelerator Equity ⁵	4191			
Property ⁵	1970			
Fixed- Income Portfolio Range				
Pure Fixed Interest Local	1558			
Inflation – Linked Bond	100			
Banker	50			
Real Return Portfolio Range				
Real Return Focus ¹	2019			
Real Return Focus Local	2076			
Stable Focus ¹	3804			
Stable Focus Local	2452			
AF Retirement Navigator ³	4496			
Guaranteed Portfolio Range				
FullVest	17			
Hedge Fund Portfolio Range				
AF Investments QIF Performance	2595			
AF Investments QIF Moderate	2145			
AF Investments QIF Stable	2593			
AF Investments QIF Focus	3476			
Global Portfolio Range				
Global Balanced ⁵	21			
Global Passive Plus	4203			
Global Equity ⁵	28			
Global Fixed Income ⁵	31			
Global \$ Banker	34			
Global Sterling Banker	1865			
Global Euro Banker	1664			
Platform Single Manager Portfolio Range				
Foord Asset Management Platform ¹	3847			
Ninety One Global Balanced Platform ¹	3849			
AF Lifestage Range				
AF High Growth ¹	2564			
AF High/Medium Growth ¹	2566			
AF Medium Growth ¹	2567			
AF Medium / Conservative Growth ¹	2565			
AF Conservative Growth ¹	2563			
AF Active Balanced Life Stage High Growth ¹	3676			
AF Active Balanced Life Stage Medium Growth ¹	3677			
AF Active Balanced Life Stage Conservative Growth ¹	3678			
AF Active Balanced Life Stage High-Medium Growth ¹	3679			
AF Active Balanced Life Stage Medium-Conservative Growth ¹	3680			

Investment Portfolio	Code For office use only	Initial Investments R or %	Ongoing Investments	Ongoing Redemptions
AF Houseview Income Target ¹	4497			
Passive Range				
AF Passive Bold ¹	3689			
AF Passive Bold-Moderate ¹	3690			
AF Passive Moderate ¹	3691			
AF Passive Moderate-Cautious ¹	3692			
AF Passive Cautious ¹	3693			
AF Passive Houseview Income Target ¹	4498			
AF Passive Explorer	4518			
AF Passive Local Bond ⁵	4524			
AF Passive Local Inflation Linked Bond ⁵	4525			
AF Passive Global Bond ⁵	4526			
AF Passive Local Equity ⁵	4527			
Alternatives Range				
Private Markets SA	4465			
AF Infrastructure	4462			
Single Manager portfolio range				
Allan Gray Ltd Classic Balanced ^{1&4}	2741			
Coronation Fund Managers – Best Investment View II ^{1&4}	3916			
Coronation Fund Managed I ^{1&4}	3259			
Foord Asset Management ^{1&4}	1592			
M&G ^{1&4}	2066			
Ninety One SA (Pty) Ltd ^{1&4}	5			

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 a product supplier. The *Fund* acknowledges and confirms that no part of the financial services provided by *Alexander Forbes Investments* constitutes advice as defined or contemplated in the *FAIS Act*. The *Fund* will therefore take particular care in considering whether the *Portfolio* is appropriate for its circumstances.

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

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.
2. Shari'ah Portfolios which are dealt with in terms of Clause 27.
3. AF Retirement Navigator Portfolios which are dealt with in terms of Clause 30.
4. Members can opt out of the default investment strategy selected by the employer or management committee and can choose to invest in an investment strategy of their choice. Please note that these Portfolios are available for member investment choice.
5. These portfolios are not required to be managed in accordance with Regulation 28 issued under the Pension Funds Act 24 of 1956.

Notes:

1. The total of the aforesaid selected *Portfolios* must equal 100%.
2. Your investment *Portfolio* selection must comply with the investment limitations set out in Regulation 28 issued under the Pension Funds Act 24 of 1956, as amended or substituted from time to time, as well as the exchange control restrictions of the SA Reserve Bank. The combined *Portfolios* are set up to comply with the investment limitations set out in Regulation 28 of the Pension Funds Act 24 of 1956. *Alexander Forbes Investments* does not guarantee that there will not be a breach of the 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 Regulation 28 and its standard internal practice at the time of the breach, align the *Portfolio* to the prescribed investment limitations of Regulation 28. At times due to currency fluctuations and market movements the international investment might result in a breach of the prescribed investment limitations. In these circumstances, the *Fund* must deal with such breach in accordance with the provisions of Regulation 28.
3. Due to exchange control restrictions there may be a delay in transferring money offshore. Pending the transfer, the money may be invested in the *Banker Portfolio*.
4. 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 *Banker Portfolio* pending a new investment instruction from you.
5. A long-term insurer is classified as an accountable institution in terms of the Financial Intelligence Centre Act, 38 of 2001, and is therefore required to establish and verify the identity of the *Fund* and any person who acts on behalf of the *Fund*.

1. *Commencement Date:* _____
2. Term/duration of the *Policy:* In relation to general *Portfolios* until surrendered in terms of Section B, Clause 8.2 or terminated in terms of Section B, Clause 8.4.
3. Term/duration of the *Policy:* In relation to *Specialised Portfolios* such termination provisions as may be specified for such *Specialised Portfolio*.
4. *Alexander Forbes Investments* confirms that it has disclosed all risk factors relating to Alternative Investment Portfolios in terms of Appendix 3 and to the extent that the *Fund* selects an Alternative Investment Portfolio as a *Nominated Portfolio*, the *Fund* confirms that it has read and understood such risk factors.
5. The *Fund* confirms and acknowledges that it has read and will comply with its obligations in terms of Appendix 5.
6. Statutory disclosures by *Alexander Forbes Investments:*
As set out in Appendix 1
7. Warranty
The signatories of this *Policy* warrant that they are duly authorised to sign this *Policy*.

FOR POLICYHOLDER

FOR ALEXANDER FORBES INVESTMENTS LIMITED

NAME OF SIGNATORY

NAME OF SIGNATORY

CAPACITY OF SIGNATORY

CAPACITY OF SIGNATORY

DATE

DATE

B. TERMS AND CONDITIONS LINKED FUND POLICY

RECORDAL

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

- *Alexander Forbes Investments* is licensed to conduct linked life insurance business and the *Fund* is a fund as defined and contemplated in terms of the *Long-term Insurance Act* and/or the *Insurance Act*.
- *Alexander Forbes Investments* undertakes in return for a *Premium* to provide *Policy Benefits* to the *Fund* for the purpose of 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 investment policies as contemplated in the *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* Regulation 28 compliant, *Alexander Forbes Investments* does not guarantee that there will not be a breach of the investment limitations of Regulation 28 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 Regulation 28 and its standard internal practice at the time of the breach, align the *Portfolio* to the prescribed investment limitations of Regulation 28.
- *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 Limited*, a public company duly incorporated and registered in terms of the company laws of South Africa with registration number: 1997/000595/06 and also licensed to conduct life insurance business in terms of the *Insurance Act*.

Assets: means any asset, investment, financial product or financial instrument as defined, specified, mentioned or contemplated, in the *Long-term Insurance Act* and/or the *Insurance Act*, the *FAIS Act*, the *CISC Act*, and the

Financial Markets Act, 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*.

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

Business Day: means every day except a Saturday, Sunday or an official public holiday in the Republic of South Africa.

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.

CISC Act: means the *Collective Investment Schemes Control Act*, 45 of 2002, as amended, substituted or re-enacted from time to time.

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 the amount of cash to be paid or *Assets* to be transferred or delivered by *Alexander Forbes Investments* to the *Fund* as contemplated in the *Long-term Insurance Act* and the *Regulations*, 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 Fees Schedule* which investment management fees will not be payable by *Alexander Forbes Investments* from its *Policy Fees*.

FAIS Act: means the Financial Advisory and Intermediary Services Act, 37 of 2002, as amended, substituted or re-enacted from time to time.

Financial Markets Act: means the Financial Markets Act, 19 of 2012, as amended, substituted or re-enacted from time to time.

Fully Vesting Guaranteed Portfolios: means the *Categories of Assets* held by *Alexander Forbes Investments* under the name and style of Fully Vesting Guaranteed Portfolios and any range or set of *Categories of Assets* in substitution thereof.

Fund: means the friendly society, pension fund organisation, medical scheme or other person, arrangement or business prescribed by the Financial Sector Conduct Authority as a fund as contemplated and defined in the *Long-term Insurance Act* and/or the *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*.

Insurance Act means the Insurance Act, 18 of 2017, as amended or substituted from time to time.

Interest of the Fund in a Nominated Portfolio: means the number of *Units*, which *Alexander Forbes Investments* allocates from time to time to the *Fund* 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*.

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 *FAIS Act*, the *Financial Markets Act*, the *Long-term Insurance Act 52 of 1998* and/or the *Insurance Act 18 of 2017*, the *CISC Act*, and 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, 52 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*.

Nominated Portfolio: means the *Portfolio* stipulated in the *Investment Schedule* which was initially nominated in *Writing* by the *Fund* 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 licensed insurer.

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

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 fund investment 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 as agreed between the *Parties* and as stipulated in the *Policy Fees 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 *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*.

Regulations means the regulations issued by the Minister of Finance in terms of the *Long-term Insurance Act*, and as amended, substituted, or re-enacted from time to time.

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

Specialised Portfolio means any *Portfolio*, which *Alexander Forbes Investments* in its sole discretion designates as such, and includes, but is not limited to, any *Portfolio* managed according to alternative or unique investment strategies or any *Portfolio* consisting of alternative or unique investments, including but not limited to the *Fully Vesting Guaranteed Portfolios*, the *Shari'ah Portfolios* and the *Hedge Fund Portfolios*.

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*.

ZAR means South African Rand or any legal tender from time to time in substitution thereof in the Republic of South Africa.

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.

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 (as defined and contemplated in the *Long-term Insurance Act* and/or the *Insurance Act*) 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. 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 as *Premium* or the relevant part thereof.

3. INVESTMENT

- 3.1 The *Fund* must instruct or shall in future instruct *Alexander Forbes Investments* in *Writing* to invest the *Investment Amount* 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*.
- 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 Account* 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 Account* 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*.

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 *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 28 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 as approved by *Alexander Forbes Investments'* statutory actuary 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.
- 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*. For the sake of clarity it is recorded that *Alexander Forbes Investments* shall deduct the investment management fees payable to an *Investment Manager* in respect of the management of global or offshore *Assets* from a *Portfolio*, identified as a relevant *Portfolio* in the *Policy Fees Schedule* before calculating the *Unit Price*. *Alexander Forbes Investments* will, on a quarterly basis, make the aggregate investment management fee payable to the *Investment Managers* in relation to the management of global or offshore *Assets* of a relevant *Portfolio* available on the fund fact sheets published on *Alexander Forbes Investments'* Website.
- 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*.
- 6.10 The payment of *Policy Fees* as stipulated in the *Policy Fees 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 the 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 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*. *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* 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 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 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* 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*.

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 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* 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, 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*.
- 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* 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 Account* in respect of this *Policy*.

10.2 *Alexander Forbes Investments* shall record, show and account for in the *Fund's Account* 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 Account* 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* 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 Fund* 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 Account*.

12.1.2 The *Policy Fees* shall accrue daily, but shall only be debited to the *Fund's Account* monthly in arrear.

12.2 The *Policy Fees* does not include Value Added Tax (VAT) as the provision of a long-term insurance policy is defined as a financial service, the supply of which is exempt from VAT in terms of section 2 and section 12 of the Value-Added Tax Act No 89 of 1991. Should VAT at any stage become payable this shall be added to the *Policy Fees* and recovered from the *Fund's Account* as set out in this *Policy*.

12.3 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 Account*.

12.4 *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 Account*. This will constitute a withdrawal from the *Portfolio* and result in a reduction in the number of *Units* in the *Portfolio*.

12.5 *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.

12.6 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.

12.7 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.

12.8 *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.

12.9 *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.

12.10 Notwithstanding the notice provisions of clause 12.8 above effective 01 September 2021 *Alexander Forbes Investments* shall engage in the activity of securities lending as contemplated in clause 12.8.

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 fortuitus*, 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 fortuitus*. The event of *vis maior* shall include an act of God, war, act of any governmental authority or other act or threat of any authority (*de jure* or *de facto*), legal constraint, government-imposed power restrictions, grid collapse, network outages, cyberattacks, or any other unforeseen technical disruptions beyond the control of Alexander Forbes Investments, and which may also lead to the inability of Alexander Forbes Investments to communicate with you and/or our service providers for whatever reason.) (collectively "**Vis Major events**").

13.4 The obligations of the *Parties* shall be reduced or suspended, as the circumstances require.

13.5 Any *Party* breaching a term of this *Policy* as a result of *vis maior* or *casus fortuitus* 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 ZAR, 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 South Africa.

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 In terms of the current operation of the *Long-term Insurance Act* and/or *Insurance Act*, 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* 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* as contemplated in the *Long-term Insurance Act* and *Insurance Act* and will at all relevant times comply with all other 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 PROTECTION OF PERSONAL INFORMATION

- 21.1 For the purpose of this clause, Personal Information and Processing shall have the same meaning as contemplated in the Protection of Personal Information Act, 4 of 2013 (POPIA).

- 21.2 With effect from the full commencement date of POPIA, the *Parties* agree that the provisions set out in this clause 21 shall apply to the Processing of Personal Information:

- 21.2.1 *Alexander Forbes Investments* will establish and maintain reasonable measures to deal with the integrity and confidentiality of the Personal Information in its possession, implement reasonable measures to manage risks and apply generally accepted information security practices.

- 21.2.2 *Alexander Forbes Investments* may Process Personal Information for the *Fund* if the *Fund* knows about it or agrees to it or the Processing is required by law or this *Policy*.

- 21.3 Notwithstanding the above, in order for *Alexander Forbes Investments* to perform its obligations in terms of this *Policy*, the *Fund* hereby consents, (as contemplated in POPIA), to the Processing and sharing by *Alexander Forbes Investments* of such Personal Information with any entity or division within the Alexander Forbes Limited Group of Companies, its affiliates, associates, appointed administrators, agents or third party service providers, including any regulatory bodies both local and foreign provided that such information shall only be used for the purposes of *Alexander Forbes Investments* performing its obligations under this *Policy*. The *Fund* further acknowledges and consents to *Alexander Forbes Investments* transferring and sharing such Personal Information in accordance with the internal requirements of data sharing within the Alexander Forbes Limited Group of Companies (including confidentiality and compliance with POPIA) provided that such information shall only be used for the purposes of *Alexander Forbes Investments* performing its obligations under this *Policy*.

- 21.4 The *Fund* further consents to the transfer of any Personal Information outside the borders of the Republic of South Africa where this may be necessary for the provision of services in terms of this *Policy* to the *Fund*, to store information or to further Process Personal Information provided that such transfer is to a recipient of the information that is subject to a law, binding corporate rules or binding agreement that provides an adequate level of protection that:

- 21.4.1 effectively upholds principles for reasonable processing of the information that are substantially similar to the conditions for the lawful processing of personal information relating to a "data subject" (as defined in and contemplated by POPIA); and

- 21.4.2 includes provisions, that are substantially similar to this clause 21, relating to the further transfer of personal information from the recipient to third parties who are in a foreign country.

- 21.5 *Alexander Forbes Investments* undertakes to inform the *Fund* immediately of any incident where the security of sensitive Client Information or of personal identifiable

information is compromised or believed to have been compromised. *Alexander Forbes Investments* shall immediately inform the *Fund* of the measures taken or to be taken to remedy a security compromise and the timeline for doing so.

21.6 On termination of this *Policy*, *Alexander Forbes Investments* will return to the *Fund* its Personal Information unless:

21.6.1 the law directs or allows it to keep the Personal Information beyond the termination of this *Policy*; or

21.6.2 the *Fund* instructs *Alexander Forbes Investments* to keep it on its behalf.

21.7 To the extent, that *Alexander Forbes Investments* is authorised in terms of this *Policy* to provide information to any authorised agent of the *Fund*, the *Fund* accepts that such information may include *Personal Information* of the *Fund*. *Alexander Forbes Investments* shall not be responsible for the *Fund's* agents or external service providers compliance with POPIA.

22 REPRESENTATION

22.1 *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.

22.2 *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.

23 DOMICILIA AND NOTICES

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

115 West Street
Sandown, 2196

23.2 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.

23.3 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 South Africa, and that any such change shall only be effective upon actual receipt of notice of such change by the other *Party*.

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

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

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

23.6.1 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;

23.6.2 is mailed by prepaid registered mail from an address within the Republic of South Africa 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;

23.6.3 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.

24 GENERAL

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

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

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

24.2 If:

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

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

24.2.3 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

24.2.4 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.

24.3 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.

24.4 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.

24.5 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.

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

24.7 *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.

24.8 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.

24.9 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.

24.10 *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 as defined or contemplated in the *FAIS Act*.

24.11 As provided for in this *Policy*, the *Fund* may request a change to its initial selection of Nominated *Portfolios* or a change in its existing Nominated *Portfolio* construction.

Alexander Forbes Investments will carry out the instruction(s) within the timelines specified in the *Policy* and is only obliged to send written confirmation of the change(s), where written notification is required in terms of the provisions of the *Policy*, or may do so at the *Fund's* request.

The current available *Portfolios* and *Policy* fees in respect of the standard *portfolios* of the *Alexander Forbes Investments* will be published on *Alexander Forbes Investments* website and are subject to change at the discretion of *Alexander Forbes Investments*, subject to the provisions of this *Policy*.

24.12 Other than changes to be done by *Alexander Forbes Investments* within the time frames already specified in the various clauses in this *Policy*, *Alexander Forbes Investments* shall at the earliest reasonable opportunity, endeavour to provide information on the changes requested by the *Fund* within the expected time periods contemplated in the Policyholder Protection Rule's.

24.13 The signing of this *Policy* using an electronic signature, by the person authorised to sign on it, is binding and valid. An electronic copy of this *Policy* will be regarded as an original copy as if it were signed by handwriting and in person.

Any person who has signed this *Policy* (the "requesting person"), can request the other person to sign an original form of this *Policy* and send it to the requesting person. An electronically signed copy of the *Policy* whether with a digital signature or advanced electronic signature shall constitute and shall be deemed to be sufficient evidence of a party's execution of this *Policy*, without necessity of further proof.

25 GENERAL PROVISIONS IN RESPECT OF SPECIALISED PORTFOLIOS

25.1 All the provisions of this *Policy* will apply to all *Specialised Portfolios* to the extent that it is not expressly amended by the provisions below.

25.2 Any provisions relating to capacity and liquidity constraints referred to in the General Terms and Conditions above may specifically be relevant to *Policies* linked to any *Specialised Portfolio* as *Nominated Portfolio*.

26 FULLY VESTING GUARANTEED PORTFOLIOS

26.1 Notwithstanding anything to the contrary in any other part of this *Policy*, the provisions of 26 shall apply to investments in the *Fully Vesting Guaranteed Portfolios*.

26.2 In the event of the *Policy Benefits* and surrender value in terms of this *Policy* being linked to this *Portfolio*, the following definitions will, in addition to the general definitions stated in 1, apply:

26.2.1 *Benefit Claim* means any written request for *Policy Benefits* or *Consideration*, as the case may be, made by the *Fund* for purposes of providing benefits to its *Members* in terms of the *Rules*, other than benefits or consideration arising from the *Liquidation of the Fund*.

26.2.2 *Liquidation of the Fund* means any liquidation of the *Fund*, except where the *Fund* is liquidated as a direct consequence of the liquidation or sequestration of the *Fund*.

26.2.3 *Reinsurance Book Value* means the value of the *Reinsurance Policy* as noted in the *Reinsurer's* books of accounting as the value of that *Reinsurance Policy*.

26.2.4 *Reinsurance Market Value* means the market value of the *Reinsurance Policy* determined as such by the *Reinsurer* in terms of the *Reinsurance Policy*.

26.2.5 *Reinsurance Policy* means any reinsurance agreement entered into between *Alexander Forbes Investments* and a *Reinsurer* for purposes of the *Fully Vesting Guaranteed Portfolio*.

26.2.6 *Reinsurer* means any registered insurer with whom *Alexander Forbes Investments* has entered into a *Reinsurance Agreement* for purposes of the *Fully Vesting Guaranteed Portfolio*.

26.2.7 *Termination Claim* means a *Written* request by the *Fund* to *Alexander Forbes Investments* for provision of *Policy Benefits* or *Consideration*, as the case may be, other than a *Benefit Claim* or a *Withdrawal Claim*.

26.2.8 *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 In terms of the *Reinsurance Policy* the *Reinsurer* will:

26.3.1 maintain an account in the name of *Alexander Forbes Investments* for purposes of the *Reinsurance Policy*;

26.3.2 account for all transactions affecting the value of the underlying assets held by the *Reinsurer* in terms of the *Reinsurance Policy*;

26.3.3 declare a bonus rate monthly in advance;

26.3.4 calculate at the end of each month on daily balances in the account the declared bonus and credit it to the account;

26.3.5 deduct a guarantee premium which ranges between 1.6% to 1.8% in respect of the Fullvest Portfolio, 1.8% in respect of Fullvest Local and Old Mutual Guaranteed Portfolio and 1.6% for the Sanlam Guaranteed Fund. The guarantee premium is deducted on a monthly basis from the underlying assets held by the *Reinsurer* in terms of the *Reinsurance Policy* and the account referred to in 26.3.1 will reflect a balance net of the guarantee premium. The guaranteed premium is deducted from the value of the underlying assets held by the *Reinsurer* in terms of the *Reinsurance Policy*.

26.4 Where the relevant *Fully Vesting Guaranteed Portfolio* consists of a single *Reinsurance Policy*, *Alexander Forbes Investments* shall in determining the *Unit Price* in respect of such *Portfolio* deem that each bonus declared by the *Reinsurer* will vest daily at a rate which, compounded daily for the month concerned, would equate to the monthly bonus rate declared in advance by the *Reinsurer*.

26.5 Where the relevant *Fully Vesting Guaranteed Portfolio* consists of more than one *Reinsurance Policy*, *Alexander Forbes Investments* shall in determining the *Unit Price* in respect of such *Portfolio* calculate a relevant unit value for each *Reinsurance Policy* in a similar manner as in 26.4 and shall thereafter combine these unit values proportionately to the respective values of each *Reinsurance Policy* held in this *Portfolio*.

26.6 The *Parties* herewith record that there are three different situations under which the *Fund* may receive *Policy Benefits*, namely benefits in terms of a *Benefit Claim*, a *Withdrawal Claim* and a *Termination Claim* (partially or fully). The calculation of the *Policy Benefits* and the effect of the payment of the *Policy Benefits* differ depending upon which situation applies.

26.7 Provision of *Policy Benefits* in respect of *Benefit Claims*

26.7.1 Should the *Fund* require *Policy Benefits* for purposes of providing benefits to its *Members*

- in terms of the *Rules*, other than benefits arising from the *Liquidation of the Fund*, the *Fund* shall submit a *Benefit Claim* to *Alexander Forbes Investments*.
- 26.7.2 The *Benefit 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 benefit payments to a *Member* of the *Fund* in terms of the *Rules*.
- 26.7.3 The *Fund* shall submit with the *Benefit Claim* all documentation required and stipulated by *Alexander Forbes Investments* from time to time.
- 26.7.4 Subject to the provisions below, *Alexander Forbes Investments* shall provide *Policy Benefits* to the *Fund* in the amount stipulated in the *Benefit Claim*. *Alexander Forbes Investments* shall provide the said *Policy Benefits* within 10 (ten) *Business Days* after actual receipt of the *Benefit Claim* and all the required documentation, unless extraordinary circumstances outside the control of *Alexander Forbes Investments* prohibit this. *Alexander Forbes Investments* shall notify the *Fund* in *Writing* if and when such extraordinary circumstances exist and *Alexander Forbes Investments* shall then provide the said *Policy Benefits* as soon as reasonably practically possible.
- 26.7.5 In respect of each *Benefit Claim*, *Alexander Forbes Investments* shall provide *Policy Benefits* only in the proportion that the *Interest of the Fund* in the *Fully Vesting Guaranteed Portfolio* bears to the total value of all the assets of the *Fund* at the time of payment by the *Reinsurer* in terms of the *Reinsurance Policy*.
- 26.7.6 Where the *Fund* allows any of its *Members* individual choice as to the investment of their *Fund* contributions, and to the extent that benefits are payable to any such *Member* in respect of contributions invested according to the *Member's* individual choice, the amount stated in a *Benefit Claim* in respect of any such *Member* shall be limited to the pro-rated amount which the value of the particular *Member's* portion of the *Interest of the Fund* in the *Nominated Portfolio* bears to the total value of the *Member's* interest in the *Fund*.
- 26.8 Provision of *Policy Benefits* in respect of *Withdrawal Claims*
- 26.8.1 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*.
- 26.8.2 The *Withdrawal Claim* shall contain:
- 26.8.2.1 the amount of the *Policy Benefits* required by the *Fund*,
- 26.8.2.2 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*.
- 26.8.3 The *Fund* shall submit with the *Withdrawal Claim* all documentation required and stipulated by *Alexander Forbes Investments* from time to time.
- 26.8.4 Due to potential liquidity constraints of the *Non-Liquid Asset* contained in the *Fully Vesting Guaranteed Portfolio* to which this *Policy* is linked, the manner and time of the provision of *Policy Benefits* in respect of each *Withdrawal Claim* shall be within the sole discretion of *Alexander Forbes Investments*.
- 26.8.5 The amount of *Policy Benefits* provided by *Alexander Forbes Investments* to the *Fund* in respect of each *Withdrawal Claim* shall be limited to 10% (ten per centum) of the *Interest of the Fund* in the *Nominated Portfolio* as at the date of actual receipt of the *Withdrawal Claim* by *Alexander Forbes Investments*. However, the *Fund* and *Alexander Forbes Investments* may, subject to the other provisions of this *Policy*, agree to an amount higher than the said 10% (ten per centum) limit.
- 26.8.6 The *Fund* has the right to *Policy Benefits* in respect of *Withdrawal Claims* only on 1 January and 1 July of each year: Provided that:
- 26.8.6.1 *Alexander Forbes Investments* has actually received the *Withdrawal Claim* and all the required documentation at least on or before close of business on 21 August for *Withdrawal Claims* in respect of 1 January and 21 February for *Withdrawal Claims* in respect of 1 July; and
- 26.8.6.2 *Alexander Forbes Investments* shall only be obliged to provide the said *Policy Benefits* within 10 (ten) *Business Days* after 1 January and 1 July, as the case may be, unless extraordinary circumstances outside the control of *Alexander Forbes Investments* prohibit this. *Alexander Forbes Investments* shall notify the *Fund* in *Writing* if and when such extraordinary circumstances exist and *Alexander Forbes Investments* shall then provide the said *Policy Benefits* as soon as reasonably practically possible.
- 26.8.7 The provisions of clauses 26.8.5 and 26.8.6 are not applicable to the Sanlam Fully Vesting Guaranteed Portfolio.
- 26.9 Provision of *Policy Benefits* in respect of *Termination Claims*
- 26.9.1 Should the *Fund* require *Policy Benefits* for purposes of providing benefits other than benefits in terms of a *Benefit Claim* or a *Withdrawal Claim* as contemplated above, the *Fund* shall submit a *Termination Claim* to

Alexander Forbes Investments at least 2 (two) *Calendar Months* prior to the intended termination of the investment in the *Fully Vesting Guaranteed Portfolio*.

26.9.2 The *Termination Claim* shall contain:

26.9.2.1 The amount of the *Policy Benefits* required by the *Fund*,

26.9.2.2 a confirmation that the provision of *Policy Benefits* is for full or partial termination of the investment in the *Fully Vesting Guaranteed Portfolio*.

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

26.9.4 Subject to the provisions below, *Alexander Forbes Investments* shall provide *Policy Benefits* to the *Fund* in the amount equal to the lesser of:

26.9.4.1 the portion of the *Interest of the Fund in the Nominated Portfolio* as stipulated in the *Termination Claim*, or

26.9.4.2 an amount calculated in accordance with the provisions of 26.9.5 and 26.9.6.

Alexander Forbes Investments shall provide the said *Policy Benefits* within 10 (ten) *Business Days* after actual receipt of the proceeds from the *Non-Liquid Asset*, unless extraordinary circumstances outside the control of *Alexander Forbes Investments* prohibit this. *Alexander Forbes Investments* shall notify the *Fund* in *Writing* if and when such extraordinary circumstances exist and *Alexander Forbes Investments* shall then provide the said *Policy Benefits* as soon as reasonably practically possible.

26.9.5 Where the relevant *Fully Vesting Guaranteed Portfolio* consists of a single *Reinsurance Policy*:

26.9.5.1 the value recorded in the *Fund's Account* as the *Policy Benefits* paid by *Alexander Forbes Investments* in respect of the *Termination Claim* shall be an amount equal to the amount actually provided as *Policy Benefits* multiplied by the following factor (if such factor exceeds 1 (one)): (The balance of the *Reinsurance Book Value* prior to the particular provision of *Policy Benefits*) divided by (the *Reinsurance Market Value* prior to the particular provision of *Policy Benefits*); and

26.9.5.2 the value of any *Policy Benefits* as contemplated in 26.9.5.1 shall not exceed the value of the *Interest of the Fund in the Nominated Portfolio* as adjusted in the same proportion as the *Reinsurance Market Value* prior to such provision of *Policy Benefits* divided by the *Reinsurance Book Value* prior to such provision of *Policy Benefits*.

26.9.6 Where the relevant *Fully Vesting Guaranteed Portfolio* consists of more than one *Reinsurance Policy*, 26.9.5.1 and 26.9.5.2 shall *mutatis mutandis* apply on the basis that *Alexander Forbes Investments* will provide *Policy Benefits*, which will be determined proportionately to the respective values of each *Reinsurance Policy* held in this *Portfolio*.

26.10 *Alexander Forbes Investments* has the right to fully or partially terminate its investment in the *Fully Vesting Guaranteed Portfolio* by respectively terminating all or any one of the *Reinsurance Policies* comprising the *Fully Vesting Guaranteed Portfolio*. If *Alexander Forbes Investments* terminates its investment in the *Fully Vesting Guaranteed Portfolio* as contemplated herein, it shall give the *Fund* at least 2 (two) *Calendar Months* prior *Written* notice thereof and the provisions of 26.9 shall *mutatis mutandis* apply.

26.11 *Alexander Forbes Investments* shall treat any transfer as contemplated in Section 14 of the *Pension Funds Act* as a *Benefit Claim*: Provided that:

26.11.1 all the *Policy Benefits* transferred to the transferee fund shall immediately be reinvested in a policy issued by *Alexander Forbes Investments* on terms and conditions similar to 26 of this *Policy*, and

26.11.2 the transfer has been approved by the Financial Sector Conduct Authority being the Authority for Pension Funds, failing which such transfer shall be treated as a *Termination Claim*.

27 SHARI'AH HIGH GROWTH PORTFOLIO AND SHARI'AH MEDIUM GROWTH PORTFOLIO

27.1 Notwithstanding anything to the contrary in any other part of this *Policy*, the provisions of 27 shall apply to investments in the Shari'ah High Growth Portfolio and Shari'ah Medium Growth Portfolio ("*Shari'ah Portfolios*").

27.2 For the purposes of the *Shari'ah Portfolios* the following definitions are included:

27.2.1 *Shari'ah Supervisory Committee*: means an independent body of specialised jurists in Islamic commercial jurisprudence which advises *Alexander Forbes Investments* on the management of its *Shari'ah Portfolios*.

27.2.2 *Non Permissible Income*: means income earned by means or sources not permitted by Islamic law as determined and provided to *Alexander Forbes Investments* by the *Shari'ah Supervisory Committee*.

27.2.3 *Shari'ah Assets*: means *Assets* managed in accordance with principles of Shari'ah law as prescribed by the *Shari'ah Supervisory Committee*.

27.2.4 *Shari'ah Portfolio*: means *Categories of Assets* comprising *Shari'ah Assets*

27.3 For the purposes of the *Shari'ah Portfolios* the following definitions shall have the following meanings and not the meanings ascribed to it in clause 1.1 of the *Policy*:

27.3.1 **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) permissible income due to the *Fund* which is not already included under the *Interest of the Fund in a Nominated Portfolio*, 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 *Non Permissible Income* deductible from the *Nominated Portfolios* and *Policy Fees* and expenses which may be due and payable to *Alexander Forbes Investments*, but not yet debited to the *Fund's Account*.

27.3.2 **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*, other revenue and categories of *Assets* classified as *Shari'ah Assets*.

27.3.3 **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* and/or the *Insurance Act* to be received by the *Fund* in terms of the *Policy*, which value will be determined with reference to the value of the *Units* in the *Nominated Portfolio*.

27.4 The *Shari'ah Portfolios* offered are multi-manager portfolios.

27.5 The *Shari'ah Portfolios* comprises *Categories of Assets* which are managed by *Investment Managers* in accordance with *Shari'ah* laws prescribed by the *Shari'ah Supervisory Committee*.

27.6 The *Shari'ah Portfolios* exclude *Non-Permissible Income*.

27.7 All *Non -Permissible Income* is paid into a *Shari'ah* compliant bank account and dealt with in terms of *Alexander Forbes Investments* Non Permissible Income Policy which will be made available to the *Fund* on request.

27.8 In terms of the *Policy*, the *Banker Portfolio* may be utilised in certain specified instances. For the purposes of the *Shari'ah Portfolios*, the *Banker Portfolio* shall not be used under these

circumstances and instead a non interest bearing bank account shall be utilised.

27.9 In terms of 3.4 of the *Policy*, interest shall accrue to 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*. For the purposes of the *Shari'ah Portfolios*, *Alexander Forbes Investments* shall deduct any interest earned on the *Investment Amount* and only use the *Investment Amount* in respect of allocation of *Units* in the *Shari'ah Portfolios*. Such interest will be held in the bank account referred to in 27.7 above.

27.10 Should *Alexander Forbes Investments* discontinue the *Shari'ah Portfolios* for any reason as contemplated in this *Policy* and the *Fund* does not nominate an alternative *Portfolio* within the relevant period required for such nomination, *Alexander Forbes Investments* shall have the right to switch the investment to a non-interest bearing bank account pending any relevant further action to be taken by *Alexander Forbes Investments* or the *Fund*, as the case may be. In these circumstances the *Fund* shall be deemed to have nominated the non-interest bearing bank account to which the investment was switched in terms hereof as its new *Nominated Portfolio*.

27.11 For the purposes of the *Shari'ah Portfolios* clause 6.2 is amended to read as follows:

"*Alexander Forbes Investments* or the *Investment Manager* shall before calculating the *Unit Price* deduct all *Non -Permissible Income* from the *Portfolio* and add to the *Portfolio* the value of all dividends and other investment income accrued or earned pursuant to the management of a *Portfolio*."

27.12 For the purposes of the *Shari'ah Portfolios* clause 8.3.7 is amended to read as follows:

"All *Non-Permissible Income* shall be deducted from the *Policy Benefits* or *Consideration* paid to the *Fund*."

27.13 For the purposes of the *Shari'ah Portfolios* clause 17.2 is amended to read as follows:

"17.2 Neither the *Fund* nor any member or beneficiary nominated by a member shall have any interest, undivided share, title, right or real right in or claim against such *Assets* held by *Alexander Forbes Investments* for the purposes of this *Policy*, which shall at all times be and remain the unencumbered property of *Alexander Forbes Investments* and held by *Alexander Forbes Investments* for the purposes of the *Shari'ah Portfolios* in accordance with this *Policy*."

28 HEDGE FUND PORTFOLIOS

28.1 Notwithstanding anything to the contrary in any other part of this *Policy*, the provisions of 28 shall apply to investments in Hedge Fund Portfolios.

28.2 It is recorded that:

28.2.1 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*;

28.2.2 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*;

28.2.3 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 2;

28.2.4 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;

28.2.5 *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;

28.2.6 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;

28.2.7 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;

28.2.8 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;

28.2.9 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;

28.2.10 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;

28.2.11 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.

28.3 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*.

28.4 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.

28.5 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.

29. ALTERNATIVE INVESTMENTS PORTFOLIOS, ALTERNATIVE ASSET CLASSES SUCH AS PRIVATE EQUITY PORTFOLIOS

29.1 *Alexander Forbes Investments* has and 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*.

29.2 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*.

29.3 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.

29.4 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.

30. ALEXANDER FORBES RETIREMENT NAVIGATOR PORTFOLIO

30.1 Notwithstanding anything to the contrary in any other part of this *Policy*, the provisions of this clause 30 shall apply to investments in Alexander Forbes Retirement Navigator Portfolio.

30.2 In the event of the *Reinsurance Policy Benefits* and surrender value in terms of this *Policy* being linked to the Alexander Forbes Retirement Navigator Portfolio the following definitions will, in addition to the general definitions stated in clause 1, apply:

30.2.1 ***Bonus***: means the monthly, special and ad-hoc intra-month bonuses which may be positive, zero or negative as determined by the *Reinsurer* from time to time in terms of clause 30.4 read with the *PPFM*;

30.2.2 ***Funding Level***: means, at any time, the *Reinsurance Market Value* of the total assets in respect of the Alexander Forbes Retirement Navigator Portfolio divided by the *Reinsurance Book Value* balance, provided that such total assets shall exclude any non-policyholder assets maintained by the *Reinsurer* for the purpose of reserving (including reserving for capital adequacy purposes);

30.2.3 ***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 189 of the Labour Relations Act 66 of 1995;

30.2.4 ***PPFM***: means the Principles and Practices of Financial Management applicable to this Alexander Forbes Retirement Navigator Portfolio as published by the *Reinsurer* from time to time;

30.2.5 ***Reinsurance Policy Benefits***: means the *Policy Benefits* payable by *Alexander Forbes Investments* to the *Fund* on behalf of the *Member* prior to or at retirement under this *Policy* and as contemplated by the *Rules*;

30.2.5.1 arising as a result of a *Member's*:

30.2.5.1.1 death;

30.2.5.1.2 disability;

30.2.5.1.3 dismissal;

30.2.5.1.4 divorce order settlement or a maintenance order;

30.2.5.1.5 resignation;

30.2.5.1.6 retirement on the normal retirement date as defined in the *Rules*;

30.2.5.1.7 retirement after normal retirement date as allowed and defined in the *Rules*;

30.2.5.1.8 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

- 30.2.5.1.9 (in respect of deferred *Members* paid up) solitary voluntary withdrawal prior to the minimum retirement age in accordance with applicable law and as defined in the *Rules*. *Members* will be permitted one voluntary withdrawal subject to a 1 (one) month *Written* notification. Such notification will be binding and may not be revoked at any time thereafter.
- 30.2.5.2 in respect of any expenses allocated to a *Member* by *Alexander Forbes Investments*;
- 30.2.5.3 Terminations, switches, *Involuntary Withdrawals* and Transfers in respect of Section 14 of the Pension Funds Act.
- 30.2.6 ***Reinsurance Book Value***: means the value of the *Reinsurance Policy* as noted in the *Reinsurer's* books of accounting as the value of that *Reinsurance Policy*;
- 30.2.7 ***Reinsurance Market Value***: means the market value of the *Reinsurance Policy* determined as such by the *Reinsurer* in terms of the *Reinsurance Policy*;
- 30.2.8 ***Reinsurance Policy***: means any reinsurance agreement entered into between *Alexander Forbes Investments* and a *Reinsurer* for purposes of this Alexander Forbes Retirement Navigator Portfolio;
- 30.2.9 ***Reinsurer***: means any registered insurer with whom *Alexander Forbes Investments* has entered into a *Reinsurance Policy* for purposes of this Alexander Forbes Retirement Navigator Portfolio;
- 30.2.10 ***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*.
- 30.3 *Alexander Forbes Investments* will determine the value of the *Reinsurance Policy Benefits* for this Alexander Forbes Retirement Navigator Portfolio with reference to the reinsurance benefits calculated and determined in terms of the *Reinsurance Policy*.

Alexander Forbes Investments does not guarantee the value of any *Reinsurance Policy Benefit* and any guarantee is a guarantee issued by the *Reinsurer*.

30.4 Alexander Forbes Retirement Navigator Portfolio *Reinsurance Book Value* and *Bonus Declarations*

In terms of the *Reinsurance Policy* the *Reinsurer*

- 30.4.1 will maintain an Alexander Forbes Retirement Navigator Portfolio *Reinsurance Book Value* in the name of *Alexander Forbes Investments* for purposes of the *Reinsurance Policy*;
- 30.4.2 will account for all transactions affecting the value of the underlying assets held by the *Reinsurer* in terms of the *Reinsurance Policy* in Alexander Forbes Retirement Navigator Portfolio *Reinsurance Book Value*;
- 30.4.3 will on a monthly basis declare bonus rates (positive, zero or negative) on Alexander Forbes Retirement Navigator Portfolio in accordance with the *PPFM*. The effective daily bonus rate shall be applied to the balance in the Alexander Forbes Retirement Navigator Portfolio *Reinsurance Book Value* at the beginning of each day and such amount shall be credited or debited to the Alexander Forbes Retirement Navigator Portfolio *Reinsurance Book Value* at the end of each day;
- 30.4.4 may declare monthly special bonus rates, or ad-hoc intra-month bonus rates, to manage cross-subsidies between *Members* invested in the Alexander Forbes Retirement Navigator Portfolio. Special bonus rates and ad-hoc intra-month bonus rates will be applied immediately to the balance of the Alexander Forbes Retirement Navigator Portfolio *Reinsurance Book Value* at the beginning of the day of application.
- 30.4.5 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.

30.5 General requirements for requesting *Reinsurance Policy Benefits*

- 30.5.1 Should the *Fund* require *Reinsurance 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.
- 30.5.2 *Alexander Forbes Investments* will be entitled to request additional information to

- verify a request for a *Reinsurance Policy Benefit*. Where such additional information has been requested, payment of the *Reinsurance Policy Benefits* will be subject to *Alexander Forbes Investments* receiving and confirming the validity of the information requested
- 30.5.3 The Parties herewith record that there are different situations under which the *Fund* may receive *Reinsurance Policy Benefits*. The calculation of the *Reinsurance Policy Benefits* and the effect of the payment of the *Reinsurance Policy Benefits* differ depending upon which situation applies.
- 30.6 Provision of *Reinsurance Policy Benefits***
- 30.6.1 All *Reinsurance Policy Benefits* will be paid subject to the provisions of clauses 30.6.2, 30.6.3 and 30.11 which are stated below.
- 30.6.2 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 *Reinsurance 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 *Reinsurance 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 30.6.2. Where a *Fund* has allowed its *Members* individual choices as to 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 *Reinsurance 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 30.6.2.
- 30.6.3 *Alexander Forbes Investments* will pay the *Fund Reinsurance Policy Benefits* in accordance with the following provisions:
- 30.6.3.1 *Reinsurance Policy Benefits* in respect of clause 30.2.5.1 and 30.2.5.2 will be paid at *Reinsurance Book Value*.
- 30.6.3.2 *Reinsurance Policy Benefits* in respect of clause 30.2.5.3. will be paid at in accordance with clauses 30.7, 30.8 and 30.9.
- 30.7 Payment in respect of *Involuntary Withdrawals***
- 30.7.1 The *Fund* 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* after receipt by *Alexander Forbes Investments* of the reinsurance benefit from the *Reinsurer* save for where exceptional circumstances exist. *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 189 of the Labour Relations Act 66 of 1995.
- 30.7.2 *Involuntary Withdrawals* will be paid at *Reinsurance Book Value*, subject to the provisions of clauses 30.7.3, 30.7.4, 30.7.5 and to clause 30.9 which are stated below.
- 30.7.3 If the amount claimed in respect of *Involuntary Withdrawals* by the *Fund* is expected to reduce the *Funding Level* by more than 2% (two percent), the *Reinsurer* reserves the right at its discretion, to adjust the amount paid in respect of *Involuntary Withdrawals*, such that remaining *Members* are not unfairly prejudiced and *Alexander Forbes Investments* shall subsequently adjust the amount as per *Reinsurer's* adjustment.
- 30.7.4 If the *Fund* processes more than 1 (one) *Involuntary Withdrawal* over a rolling 12 (twelve) month period, the *Reinsurer* reserves the right, at its discretion, to adjust the amount paid in respect of *Involuntary Withdrawals*, such that remaining *Members* are not unfairly prejudiced and *Alexander Forbes Investments* shall subsequently adjust the amount as per *Reinsurer* adjustment.
- 30.7.5 In the event that the amount paid in respect of *Involuntary Withdrawals* is adjusted, as per clauses 30.7.3 or 30.7.4, the *Reinsurer* may determine an amount that may be payable, subject to the amount being no less than the *Reinsurance Book Value* multiplied by the *Funding Level*, and no more than the *Reinsurance Book Value*, of the *Involuntary Withdrawal* and *Alexander Forbes Investments* shall subsequently pay the amount as determined by the *Reinsurer*.

30.8 Payments in respect of *Withdrawal Claims*

30.8.1 Should the *Fund* require *Reinsurance 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*.

30.8.2 The *Withdrawal Claim* shall contain:

30.8.2.1 the amount of the *Policy Benefits* required by the *Fund*,

30.8.2.2 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*.

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

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

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

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

30.8.4.3 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.

30.9 Payments in respect of a Termination

30.9.1 Should the *Fund* require *Reinsurance Policy Benefits* for purposes of partial or full termination of the *Fund's* investment in the *Alexander Forbes Retirement 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 Retirement Navigator Portfolio*.

30.9.2 All payments in respect of clause 30.9.1 will be made as follows:

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

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

30.9.2.3 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.

30.10 Section 14 Transfers

Should the *Fund* require *Reinsurance Policy Benefits* to give effect a Section 14 Transfer, the *Fund* shall submit a *claim* to *Alexander Forbes Investments*.

30.10.1 The claim shall contain the following information:

- i. the amount of the *Reinsurance Policy Benefits* required by the *Fund*,
- ii. a confirmation that the provision of *Reinsurance Policy Benefit* is to give effect to a Section 14 Transfer.

30.10.2 *Alexander Forbes Investments* shall upon receipt of the claim and all required documentation request a reinsurance benefit from the *Reinsurer*, 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:

30.10.2.1 if the *Funding Level* is at least 100% (one hundred percent), then the amount to be transferred will be equal to the *Reinsurance Book Value* of the amount requested in respect of such *Members* as at the Effective s14 Transfer Date; or

30.10.2.2 if the *Funding Level* is less than 100% (one hundred percent), the amount to be transferred will be equal to the *Reinsurance Book Value* of the amount requested in respect of such *Members* multiplied by the *Funding Level* as at the Effective s14 Transfer Date; and

30.10.2.3 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.

30.11 **Maximum Liability**

The extent of *Alexander Forbes Investments'* liability in terms of this Alexander Forbes Retirement Navigator Portfolio, shall at all times be limited to the *Reinsurance Book Value* of the amount requested in respect of such *Members* multiplied by the *Funding Level Alexander Forbes Retirement Navigator Portfolio Reinsurance Book Value* in accordance with the terms and conditions of the *Reinsurance Policy*.

30.12 **Termination by Alexander Forbes Investments**

Alexander Forbes Investments has the right to fully terminate the *Reinsurance Policy* comprising the *Alexander Forbes Retirement Navigator* Portfolio. If *Alexander Forbes Investments* terminates the *Reinsurance Policy* in respect of the *Alexander Forbes Retirement Navigator* Portfolio, as contemplated herein, it shall give the *Fund* at least 3 (three) *Calendar Months* prior *Written* notice.

SPECIAL CONDITIONS

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

POLICY FEES SCHEDULE: Effective from 01 September 2026

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* and excludes the investment management fees and performance fees payable by *Alexander Forbes Investments* to an *Investment Manager* that forms part of *Expenses*.

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.

Portfolio	Fee Scale per annum		
	Local	Global	Combined
Conserver			
First R50 million or part thereof			0.75%
Next R50 million or part thereof			0.67%
Next R100 million or part thereof			0.59%
Next R300 million or part thereof			0.56%
Balance over R500 million			0.52%
Performer/Balanced Single Managers Portfolios Local Only			
First R50 million or part thereof	0.70%		
Next R50 million or part thereof	0.60%		
Next R100 million or part thereof	0.50%		
Next R300 million or part thereof	0.45%		
Balance over R500 million	0.40%		
Real Return Focus			
First R50 million or part thereof			0.78%
Next R50 million or part thereof			0.70%
Next R100 million or part thereof			0.62%
Next R300 million or part thereof			0.59%
Balance over R500 million			0.55%
Stable Focus			
First R50 million or part thereof			0.68%
Next R50 million or part thereof			0.60%
Next R100 million or part thereof			0.51%
Next R300 million or part thereof			0.47%
Balance over R500 million			0.43%
Pure Fixed Interest Local			
First R50 million or part thereof	0.70%		
Next R50 million or part thereof	0.58%		
Next R100 million or part thereof	0.47%		
Next R300 million or part thereof	0.41%		
Balance over R500 million	0.35%		
Accelerator Equity			
First R50 million or part thereof	0.90%		
Next R50 million or part thereof	0.75%		
Next R100 million or part thereof	0.60%		
Next R300 million or part thereof	0.53%		
Balance over R500 million	0.45%		
AF High Growth			
First R50 million or part thereof			0.86%
Next R50 million or part thereof			0.77%

Portfolio	Fee Scale per annum		
	Local	Global	Combined
Next R100 million or part thereof			0.67%
Next R300 million or part thereof			0.62%
Balance over R500 million			0.58%
AF High / Medium Growth			
First R50 million or part thereof			0.86%
Next R50 million or part thereof			0.76%
Next R100 million or part thereof			0.66%
Next R300 million or part thereof			0.60%
Balance over R500 million			0.55%
AF Medium Growth			
First R50 million or part thereof			0.85%
Next R50 million or part thereof			0.75%
Next R100 million or part thereof			0.64%
Next R300 million or part thereof			0.58%
Balance over R500 million			0.53%
AF Medium / Conservative Growth			
First R50 million or part thereof			0.76%
Next R50 million or part thereof			0.67%
Next R100 million or part thereof			0.57%
Next R300 million or part thereof			0.52%
Balance over R500 million			0.47%
AF Conservative Growth			
First R50 million or part thereof			0.78%
Next R50 million or part thereof			0.68%
Next R100 million or part thereof			0.57%
Next R300 million or part thereof			0.52%
Balance over R500 million			0.47%
AF Active Balanced Life Stage High Growth^{1 and 2}			
First R50 million or part thereof			0.76%
Next R50 million or part thereof			0.69%
Next R100 million or part thereof			0.61%
Next R300 million or part thereof			0.57%
Balance over R500 million			0.54%
AF Active Balanced Life Stage Medium Growth^{1 and 2}			
First R50 million or part thereof			0.73%
Next R50 million or part thereof			0.65%
Next R100 million or part thereof			0.56%
Next R300 million or part thereof			0.52%
Balance over R500 million			0.48%
AF Active Balanced Life Stage Conservative Growth^{1 and 2}			
First R50 million or part thereof			0.69%
Next R50 million or part thereof			0.60%
Next R100 million or part thereof			0.50%
Next R300 million or part thereof			0.45%
Balance over R500 million			0.41%

Portfolio	Fee Scale per annum		
	Local	Global	Combined
AF Active Balanced Life Stage High-Medium Growth^{1 and 2}			
First R50 million or part thereof			0.77%
Next R50 million or part thereof			0.69%
Next R100 million or part thereof			0.61%
Next R300 million or part thereof			0.56%
Balance over R500 million			0.53%
AF Active Balanced Life Stage Medium-Conservative Growth^{1 and 2}			
First R50 million or part thereof			0.72%
Next R50 million or part thereof			0.63%
Next R100 million or part thereof			0.54%
Next R300 million or part thereof			0.49%
Balance over R500 million			0.45%
AF Houseview Income Target			
First R50 million or part thereof			0.77%
Next R50 million or part thereof			0.67%
Next R100 million or part thereof			0.55%
Next R300 million or part thereof			0.50%
Balance over R500 million			0.45%
Moderate Balanced			
First R50 million or part thereof			0.62%
Next R50 million or part thereof			0.56%
Next R100 million or part thereof			0.50%
Next R300 million or part thereof			0.47%
Balance over R500 million			0.44%
AF Explorer			
First R50 million or part thereof			0.67%
Next R50 million or part thereof			0.61%
Next R100 million or part thereof			0.55%
Next R300 million or part thereof			0.52%
Balance over R500 million			0.50%
Accelerator			
First R50 million or part thereof			0.70%
Next R50 million or part thereof			0.64%
Next R100 million or part thereof			0.57%
Next R300 million or part thereof			0.54%
Balance over R500 million			0.51%
Passive Portfolios Range*			
AF Passive Bold/ AF Passive Bold – Moderate / AF Passive Moderate/ AF Passive Moderate – Cautious/ AF Passive Cautious /AF Passive Houseview Income Target / AF Passive Explorer			
First R100 million or part thereof			0.30%
Next R500 million or part thereof			0.25%
Balance over R600 million			0.20%
For the purpose of determining the <i>Policy Fees</i> in respect of the local <i>Assets</i> of the <i>Portfolios</i> as set out above, <i>Alexander Forbes Investments</i> shall at the close of each day calculate the aggregate value of the <i>Fund's</i> investment in all the abovementioned <i>Nominated Portfolios</i> held by <i>Alexander Forbes Investments</i> in respect of this <i>Policy</i> and thereafter apply the abovementioned rates to this aggregate value. <i>Alexander Forbes Investments</i> shall deduct these <i>Policy Fees</i> in such proportions from the			

Portfolio	Fee Scale per annum		
	Local	Global	Combined
abovementioned <i>Nominated Portfolios</i> as determined by <i>Alexander Forbes Investments</i> from time to time.			
*For the purpose of determining the <i>Policy Fees</i> in respect of the combined <i>Assets</i> of the Passive Portfolios, <i>Alexander Forbes Investments</i> shall at the close of each day calculate the aggregate value of the <i>Fund's</i> investment in all the abovementioned <i>Nominated Portfolios</i> held by <i>Alexander Forbes Investments</i> in respect of this <i>Policy</i> and thereafter apply the abovementioned rates to this aggregate value. <i>Alexander Forbes Investments</i> shall deduct these <i>Policy Fees</i> in such proportions from the abovementioned <i>Nominated Portfolios</i> as determined by <i>Alexander Forbes Investments</i> from time to time.			
Portfolios listed below are excluded from aggregation as contemplated above			
Allan Gray Ltd Classic Balanced¹			0.73%
Performer			
First R50 million or part thereof			0.76%
Next R50 million or part thereof			0.69%
Next R100 million or part thereof			0.61%
Next R300 million or part thereof			0.57%
Balance over R500 million			0.54%
Spectrum¹			
First R50 million or part thereof			0.67%
Next R50 million or part thereof			0.60%
Next R100 million or part thereof			0.52%
Next R300 million or part thereof			0.48%
Balance over R500 million			0.45%
Platform Portfolios			
Foord Asset Management Platform¹			0.67%
Ninety One Global Balanced Platform¹			0.90%
Banker	0.25%		
Property			
First R50 million or part thereof	0.90%		
Next R50 million or part thereof	0.75%		
Next R100 million or part thereof	0.60%		
Next R300 million or part thereof	0.53%		
Balance over R500 million	0.45%		
Inflation-Linked Bond	0.55%		
Hedge Fund Portfolios (See Notes below)			0.00%
Shari'ah High Growth			1.10%
Shari'ah Medium Growth			1.00%
<i>Fullvest Guaranteed Portfolio</i>			
First R50 million or part thereof	0.60%		0.60%
Next R50 million or part thereof	0.50%		0.50%
Next R100 million or part thereof	0.45%		0.45%
Balance over R200 million	0.40%		0.40%
AF Retirement Navigator			
First R500 million or part thereof			0.89%
Balance over R500 million			0.74%

Portfolio	Fee Scale per annum		
	Local	Global	Combined
Global Portfolios			
Global \$, Sterling and Euro Banker		0.45%	
Global Fixed Income			
First R100 million or part thereof		0.75%	
Balance over R100 million		0.60%	
Global Equity			
First R50 million or part thereof		1.10%	
Next R50 million or part thereof		1.00%	
Balance over R100 million		0.90%	
Global Balanced		1.00%	
Global Passive Plus		0.50%	
Alternatives Range			
Private Markets SA			0.00%
AF Infrastructure			0.00%
Single Manager portfolio range			
Allan Gray Ltd Classic Balanced^{1&5}			0.73%
Coronation Fund Managers – Best Investment View II^{1&5}			0.65%
Coronation Fund Managed¹			0.65%
M&G¹ Foord Asset Management^{1&5} Ninety One SA (Pty) Ltd¹			
First R50 million or part thereof			0.67%
Next R50 million or part thereof			0.60%
Next R100 million or part thereof			0.52%
Next R300 million or part thereof			0.48%
Balance over R500 million			0.45%

- Key:
1. Please note that the investment management fees payable to these *Investment Managers* for the management of the offshore assets in the *Portfolio* will be an *Expense* against the *Portfolio* and will be deducted from the *Portfolio* before calculating the *Unit Price*.
 2. The *Portfolios* are a combination of various *Portfolios*. The actual *Policy Fee* is based and determined on the actual inclusion weight of each *Portfolio* and the relevant *Policy Fees* applicable to such a *Portfolio*. The *Policy Fee* may vary from time to time, go up or down, due to a change in the inclusion weight of a *Portfolio* or an introduction or removal of a *Portfolio*. Any variation in the *Policy Fee* due to the aforementioned will not be an amendment of the *Policy Fees* as contemplated in the *Policy* and will not require notification to the *Fund*. The *Policy Fees* are capped at 1%. If an amendment breaches this threshold then *Alexander Forbes Investments* will treat the variance in the *Policy Fees* as an amendment which will require 3 months written notice.
 3. Please note that the investment management fees payable to these *Investment Managers* for the management of a portion of the offshore assets in the *Portfolio* will be an *Expense* against the *Portfolio* and will be deducted from the *Portfolio* before calculating the *Unit Price*.
 4. Please note that the *Policy Fee* for the offshore assets in the *Portfolio* may vary depending on where the assets are invested.

5. **Members can opt out of the default investment strategy selected by the employer or management committee and can choose to invest in an investment strategy of their choice. Please note that these Portfolios are available for member investment choice.**

Fees in respect of the AF Investments QIF Moderate, Stable, Performance and Focus Hedge Fund Portfolios

1. *Alexander Forbes Investments* shall not levy a *Policy Fee* on the value of any investment in Hedge Fund Portfolios where selected as a *Nominated Portfolio*.
2. It is recorded that 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 Portfolios. The investment management fees payable to financial service providers for the management of assets in the Hedge Fund Portfolios will be an *Expense* against the *Portfolio* and will be deducted from the *Portfolio* before calculating the *Unit Price*. In the event that the Alexander Forbes Investments QI Hedge Fund Scheme Portfolios invests into an underlying collective investment scheme portfolio, the costs of the underlying collective investment scheme portfolio will be deducted by the manager of the underlying collective investment scheme.
3. Classes of participatory interests

For information purposes it is recorded that the manager of the Alexander Forbes Investments QI Hedge Fund Scheme established classes of participatory interests with varying service charges applicable to each class. The service charges are the following:

Class	Base fee	Performance fee
Class B2	0.15%	No performance fee
Class A2	0.65%	No performance fee

Fees in respect of the Africa Equity Fund Portfolio The remuneration payable to Alexander Forbes Investments Administration (Pty) Limited is calculated at a rate of 0.50% per annum (plus VAT) deducted from the value of the Africa Fund Portfolio prior to the calculation of the unit price for the Africa Fund Portfolio on the value of the assets and investments managed by Alexander Forbes Investments Administration (Pty) Limited on a multi-manager basis as contemplated in clause 28 of this *Policy*.

Fees in respect of the Alternative Investments Portfolios, alternative asset classes such as private equity portfolios

All investment management fees payable to the *Investment Managers* for assets in the *Portfolio* which have exposure to Alternative Investment *Portfolios* will be an *Expense* against the *Portfolio* and will be deducted from the *Portfolio* before calculating the *Unit Price*.

Fees in respect of the Private Markets SA Portfolio

Portfolios may invest a portion of their assets into the Private Markets SA Portfolio). The Private Markets SA Portfolio is an actively managed portfolio of investments into areas that could include alternative investments, such as private equity, direct property, infrastructure and private debt in South Africa.

Fees for alternative investments are generally higher than those for traditional investments, given their nature. However, we have negotiated special rates with our partners, resulting in a total base fee that ranges from 1.25% to 2.00% per annum, depending on the legal structures and mix of investments. Limited performance fees may be payable to the underlying partners, in the event of outperformance of predefined benchmarks. Alexander Forbes Investments Administration (Pty) Limited may earn an advisory fee from activities pursuant to the management of the Private Markets SA Portfolio. This fee will not exceed 0.5% per annum, and is inclusive of the base fee above.

Fees in respect of the Global Flexible Fund

The Conserver Global and Global Balanced Portfolios invest a portion of their assets into the Global Flexible Fund. Any other Alexander Forbes Investments Portfolio which includes the Conserver Global and Global Balanced Portfolio will similarly be exposed to an investment in the Global Flexible Fund. The Global Flexible Fund invest into a multi-manager portfolio, that itself invests into a number of other collective investment schemes. The investment management fees payable to the Investment Managers for assets in the Global Flexible Fund will be an Expense against the Fund and will be deducted before calculating the Unit Price. Historical data of the fees that have been paid in respect of investments in the Global Flexible Fund is available from Alexander Forbes Investments on request.

1. **Particulars of *Alexander Forbes Investments* as licensed Insurer**

Name:	Alexander Forbes Investments Limited
Registration no:	1997/000595/06
Telephone Number:	+27 (11) 505 - 6000
Postal Address:	P.O.Box 786055, Sandton, 2146
Physical Address:	115 West Street, Sandown, 2196
Long-term Insurance Licence Number:	0018/001
Email:	AFInvestqueryadmin@alexforbes.com

2. **Group Compliance Officer of *Alexander Forbes***

Telephone Number:	+ 27 (11) 269 1032
Postal Address:	P.O.Box 786055, Sandton, 2146
Physical Address:	115 West Street, Sandown, 2196
Email Address:	zzGroupCompliance@alexforbes.com

3. **Customer Service Department**

Telephone Number:	+ 27 (11) 505 – 6126
Email Address:	AFInvestqueryadmin@alexforbes.com

All complaints regarding this product must be directed to the aforementioned Customer Services Department. If the policyholder is not satisfied with the response from *Alexander Forbes Investments*, the policyholder has the right to contact the Ombudsman for Long-term Insurance at:

4. **Particulars of Long-term Insurance Ombud**

Name:	The Ombudsman for Long –term Insurance
Telephone number:	+27 (21) 657 – 5000
Facsimile number:	+27 (21) 674 – 0951
Postal address:	Private Bag X45, Claremont, CapeTown,7735
Physical address:	Claremont Central Building, 6 th Floor, 6 Vineyard Road, Claremont, 7700
Email address:	info@ombud.co.za
Share-call:	0860103236

5. **Information Officer**

Telephone Number:	+ 27 (11) 269 2244
Postal Address:	P.O.Box 786055, Sandton, 2146
Physical Address:	115 West Street, Sandown, 2196
Email Address:	AFInvestqueryadmin@alexforbes.com

6. This product is a linked fund investment policy issued by *Alexander Forbes Investments* in terms of which *Alexander Forbes Investments* in return for a premium, undertakes to provide policy benefits for the purpose of funding in whole or in part the liability of a *Fund* to provide benefits to its members in terms of its rules.

7. The termination and withdrawal provisions for general portfolios are set out in clause 8 and for specialised portfolios in the relevant specialised portfolio section.
8. All charges and fees payable in terms of this product are reflected in the *Policy Fees Schedule*.
9. The *Fund* assumes the obligation to make payment of a premium to *Alexander Forbes Investments* for investment in a *Nominated Portfolio*.
10. No minimum guaranteed values apply.
11. No illustrative fund values are used in the marketing of this product.
12. Commission may be payable in terms of this product in terms of the provisions of the Long-term Insurance Act and/or the *Insurance Act*.
13. No cooling off period applies to this product.
14. *Alexander Forbes Investments* will, on request, provide the *Fund* with information concerning the *Nominated Portfolios* investment performance history over a period, and at intervals which are reasonable with regard to this type of product.
15. *Alexander Forbes Investments* has a Conflict of Interest Policy to manage any potential conflicts of interest that may occur. This *Policy* is available at www.alexforbes.com.
16. **Particulars of the Financial Sector Conduct Authority - Long-term Insurance**
Name: The Divisional Executive for Supervision
Financial Sector Regulatory Authority
Telephone number: +27 (12) 428 – 8000
Facsimile number: +27 (12) 346 – 6941
Postal address: P.O. Box 35655, Menlo Park, 0102
17. **Particulars of *Alexander Forbes Investments* as Licensed Financial Services Provider**
Name: Alexander Forbes Investments Limited
Registration no: 1997/000595/06
Telephone number: +27 (11) 505 6000
Postal address: P.O.Box 786055, Sandton, 2146
Physical address: 115 West Street, Sandown, 2196
18. **Particulars of the Ombud for Financial Services Providers**
Name: FAIS Ombud
Telephone number: +27 (12) 762 5000
Sharecall: 086 066 3274
Postal address: P.O. Box 74571, Lynwood Ridge, 0040
Physical address: 125 Dallas Avenue, Menlyn Central, Waterkloof
Glen, Pretoria, 0010
Email address: info@faisombud.co.za
Website: www.faisombud.co.za
19. **Particulars of the National Financial Ombud**
Name: National Financial Ombud
Telephone number: 0860 800 900
WhatsApp number: +27(0)66 473 0157

E-mail address:	info@nfosa.co.za
Physical address: (Cape Town)	6th Floor, Claremont Central Building, 6 Vineyard Road, Claremont, Cape Town, 7700
Physical Address (Johannesburg)	110 Oxford Road, Houghton Estate Johannesburg, Gauteng, 2198

20. **Particulars of the Commissioner for the Financial Sector Regulatory Authority**

Name:	The Divisional Executive: Financial Sector Regulatory Authority
Telephone number:	+27 (12) 428 – 8000
Facsimile number:	+27 (12) 346 – 6941
Postal address:	P.O. Box 35655, Menlo Park, 0102
Contact Centre:	0800 110 443 / 0800 20 20 87

21. **Particulars of the Financial Sector Conduct Authority - Pension Funds**

Name:	The Divisional Executive for Retirement Fund Supervision
Telephone number:	+27 (12) 428 - 8000
Facsimile number:	+27 (12) 346 – 6941
Postal address:	P.O. Box 35655, Menlo Park, 0102

22. **Particulars of the Pension Funds Adjudicator**

Name:	The Pension Funds Adjudicator
Telephone number:	+27 (12) 346 1738 /+27 (12) 748 4000
Facsimile number:	+27 086 693 7472
Postal address:	4 th Floor, Riverwalk Office Park, Block A, 41 Matroosburg Road, Ashlea Gardens, Pretoria, South Africa, 0081
Email address:	enquiries@pfa.org.za
Website:	www.pfa.org.za

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.

(On Fund's Letterhead)
RESOLUTION

Resolution of the Trustees of the _____ (Registration Number _____) ("**the Fund**") passed at
_____ on the _____ day of _____ 20 _____

WHERE IT IS RESOLVED THAT:

1. The *Fund* concludes a Linked Long-term Insurance *Policy* ("**the Policy**") with Alexander Forbes Investments 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 _____ 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:

Full Name: _____

CERTIFIED A TRUE COPY on this _____ day of _____ 20 _____

SIGNATURE:

CAPACITY:

PROCESS DOCUMENT

FICA Documents Required	
The <i>Fund</i> will be required to furnish the following information at the <i>Commencement Date</i> of the <i>Policy</i> with <i>Alexander Forbes Investments</i> . <i>Alexander Forbes Investments</i> may request updates to this information from time to time.	
No.	Description
1.1	Proof of FSCA (Previously known as FSB) registration certificate for the Fund
1.2	Copy of the Rules of the Fund confirming the Funds registered address.
1.3	Copy of signed resolution in the form of Appendix 4 or appropriate resolution, authorising the Fund to enter into the Policy and appointing the authorising signatory
1.4	Copy of the FSCA letter of the appointment of the Principal Officer
1.5	The attached trustee and related party template to be completed in full for all related parties, ie Trustees, authorised signatories etc.
1.6	Certified letter from the Bank confirming the bank details of the Fund.