

# Terms and Conditions: Ashburton Endowment

## Definitions

**“Administrator”** refers to Ashburton Investor Services Proprietary Limited, bearing registration number: 2011/139123/07, an authorised administrative financial services provider (“FSP”) in terms of FAIS and Administrator of this contract.

**“Annual Escalation Date”** refers to the date on which Your debit order will escalate.

**“Ashburton Endowment”/“Contract”/“Investment”** means the legal agreement that governs the relationship between You, the Administrator and the Insurer issued by the Insurer in terms of the Long-term Insurance Act together with the application form, documents per the checklist and terms and conditions.

**“Beneficiary of Ownership”** refers to the party nominated by You as a beneficiary to become the owner of the Contract in the event of Your death. Beneficiary of Ownership only applies if the Contract Holder is a natural person.

**“Business Day”** is any day other than a Saturday, Sunday or South African public holiday. Day and Business Day have the same meaning except where calendar days are referred to in the context of cancelling Your Contract.

**“Cedant”** is the Contract Holder (You) who is ceding Your rights to the Contract benefits either as an Outright Cession or as a Security Cession.

**“Commencement Date”** refers to the date on which the Contract starts, which shall be the date on which the Administrator has satisfied itself that all requirements pertaining to the Contract have been met.

**“Contract Year”** for the purposes of this Contract is a year based on twelve (12) consecutive months from the Commencement Date.

**“Contribution”** is the term used for premiums made into the Contract. Loan repayments are not contributions and no further contributions may be made where a loan has been taken and has not been repaid. Contributions made in excess of loan repayments will be deemed to be a contribution.

**“Cooling Off Period”** allows a Contract Holder to cancel the Contract within a period of thirty (30) days of receipt of the Contract documentation and/or investment confirmation.

**“FAIS”** refers to the Financial Advisory and Intermediary Services Act, (Act No. 37 of 2002).

**“FICA”** refers to the Financial Intelligence Control Act (Act No, 38 of 2001).

**“Fund List”** refers to the list of Unit Trusts provided to assist with Unit Trust selection, listing all the Unit Trusts available for investment purposes via the Administrator as published by the Administrator from time to time and updated on the Website.

**“Insurer”** refers to FirstRand Life Assurance Limited, Registration Number 2014/264879/06, a registered long-term insurer governed by the Long-term Insurance Act, (Act No. 52 of 1998), and underwriter of this Contract.

**“Investor”/“Contract Holder”/“ You(r) ”/ “Yourself”** refers to the legal holder of this Contract.

**“Investment Allocation”** refers to the Portfolio allocation selected by You on the application form and any subsequent switches that You may instruct.

**“Loan Repayment(s)”** refers to the repayment of a Zero Interest Loan/Loan which can occur at any time prior to termination of the Contract at the discretion of the Contract Holder.

**“Long Term Insurance Act”/“LTIA”** refers to the Long Term Insurance Act, (Act No.52 of 1998) and governs the relationship between the Insurer, the Contract Holder and the Ashburton Endowment;

**“Manager”** refers to the company that manages the Portfolio(s) of a collective investment scheme/ Unit Trust in terms of the Collective Investment Schemes Control Act, (Act No. 45 of 2002).

**“Loan Repayments”** is when a Contract Holder has exercised their right to a loan and opts to repay the loan (interest free).

**“Model Portfolio”** a pre-determined selection of Unit Trusts administered by the Administrator and managed by a Portfolio Manager to meet the investment objectives specified for that Model Portfolio.

**“Outright Cession”** means a transfer of ownership. This means that the person or institution to whom the contract is ceded becomes the new Contract Holder.

**“Outright Cessionary”** means the person or institution who becomes the new owner of the Contract once ceded by the Cedant.

**“Phase-In”** means to introduce something gradually, to introduce something in stages over a period of time.

**“Phase-In Fund”** refers to the Ashburton Money Market Fund. The minimum Phase-In period is three months and the maximum Phase-In period is twenty four (24) months.

**“Phase-In Sum”** refers to the part of the initial investment (or the part of an additional investment) that the Investor indicates either in the application form or the relevant investment instruction form is to be invested in Unit Trusts.

**“Portfolio”** The underlying assets of the Contract consist of the Portfolio which may vary depending on the portfolio’s investment objective. Portfolios may include “Unit Trusts”, or “Model Portfolios” or a combination thereof.

**“Portfolio Manager”** refers to one or more investment manager(s) who manages the Investor’s Portfolio, or any component thereof, on a discretionary basis.

**“Rebate”** refers to a fee paid by the Manager to the Administrator for the administration, distribution and/or marketing costs represented by the distribution opportunity presented by the Administrator’s platform.

**“Restriction/ed Period”** for the purposes of this contract is the first five (5) years from the Commencement Date or any subsequent Restriction Period subject to the LTIA.

**“Security Cession”** is an agreement whereby you provide the contract as security for your obligation to the Security Cessionary. For the avoidance of doubt, the Security Cession may only be in full.

**“Security Cessionary”** is the person or institution who may be entitled to the proceeds of the Contract after You cede your rights. The Contract will be held as security against an obligation however the cessionary does not replace the Contract Holder.

**“Silica”** means Silica Financial Administration Solutions Proprietary Limited and has been appointed as an administrator for processing of all applications and investor information. Silica is an authorised administrative financial services provider in terms of FAIS and acts as the execution agent.

**“Surrender/(ed)”** is the term used for the withdrawal/redemption of assets either in full or in part.

**“Unit Trust(s)”** refers to a Portfolio of a collective Investment scheme being divided into equal parts. It is an arrangement that allows Contract Holders to pool their money and have it professionally managed and invested in a range of underlying assets. Each unit represents a direct proportionate interest in every underlying asset of the Portfolio. The number of units in Your Contract depends on how much money You contribute and what the unit price is when units are purchased.

**“Website”** refers to the Website as per the application form.

**“Zero Interest Loan”/ “Loan”** refers to an advance by the Insurer against the value of the Contract which involves the sale of underlying assets of the Portfolio, which is payable by the Contract Holder at any time prior to the end of the five (5) year Restriction Period and where no interest is charged on the outstanding loan balance and no investment returns are earned on the underlying assets that have been sold.

## A. General information

1. These terms and conditions are available on the Website, from Your financial advisor and/or from our client services team.
2. For the latest information about the underlying assets of Your investment please refer to the relevant fund fact sheets available on the Website.
3. The application form, these terms and conditions and the documents as per the checklist form the basis of the Contract. All other instructions which You Contract Holder provide to the Administrator shall also form part of this Contract.
4. The terms and conditions of this Contract may be amended at any time and be made available on the Website. As of Commencement Date, Your Contract shall be governed by all applicable legislation and regulations, as amended or replaced from time to time. Should changes to current or new legislation and/or regulation impact the Contract, the terms and conditions of this Contract may be amended and be made available on the Website as soon as reasonably possible. Please contact Your financial advisor (if appointed), the client services team and/or the Website for the latest versions of these. Please note that the latest copy of the terms and conditions posted on the Website will govern our relationship.
5. Your Instructions will be processed as long as they are within legal and product limits.
6. The assets within the investment are held in the name of the Insurer, which in turn is held in safe custody by an FSB/ JSE approved Nominee company.
7. The Administrator has conflict of interest management and complaints resolution policies which are available on the Website.
8. The Ashburton Endowment is subject to the South African Income Tax Act, (Act No. 58 of 1962) and tax will be deducted where applicable.
9. The Insurer and the Administrator hold adequate professional indemnity and fidelity insurance cover as per the applicable legislation.
10. We may make Your investment information available to third party providers. You give us permission to make Your information available to such providers subject to the applicable governing legislation and scope of each investment transaction. For the purposes of this Contract, Silica will have access to Your information. The Administrator will not disclose Your information to third parties unless it is for purposes of this contract. Please refer to the confidentiality section below for further details FATCA stands for the Foreign Account Tax Compliance Act.
11. The Insurer and Administrator may refuse to make payment under this Contract if such payment will constitute any breach of anti-money laundering, counter-terrorism financing, or economic or trade sanctions laws or regulations, be they local, international or voluntarily subscribed to by the Insurer and Administrator (including but not limited to UK Treasury Sanctions (UKHMT), European Union Sanctions, United States Treasury Sanctions (OFAC) French Ministry of Economy, Finance & Industry Sanctions (MINEFI) and the United Nations Security Council Sanctions List (Chapter V11)). The Insurer and Administrator shall not be liable for any loss or damage of whatsoever nature suffered by any person and arising from such a refusal to make payment under this Contract. Authorities may require the disclosure of information related to the Contract and such disclosure will not be a breach of any duty of confidentiality owed by the Insurer and Administrator to any party to this Contract.
12. FATCA targets tax non-compliance by United States (U.S.) taxpayers with foreign accounts, its primary aim is to reduce the levels of tax avoidance by U.S. citizens and entities through Foreign Financial Institutions (FFI's). Ashburton Investments Holdings Ltd is registered as a deemed compliant FFI with the Internal Revenue Services (IRS) and is required to comply with FATCA and obliged to report to SARS on all accounts maintained by it on behalf of account holders who are deemed to be resident in the U.S for tax purposes at the end of each calendar year as provided for in the Inter-governmental agreement between the IRS and SARS.

## B. Ashburton Endowment

1. The Ashburton Endowment is a long-term insurance contract underwritten by the Insurer and regulated by the LTIA.
2. The investment performance and benefits of the Contract are directly linked to the underlying Investment Allocation of the Portfolio selected by You. The Insurer is not responsible for, and does not guarantee, any performance or non-performance of the Portfolio.
3. The Insurer is responsible for all tax calculations, deductions and payments to the South African Revenue Services. The tax treatment of the Ashburton Endowment as set out in this Contract and other related material is not guaranteed and is based on current tax legislation applicable to long-term policies, and can be subject to change. Any change in tax legislation may affect the benefits payable under the Contract.
4. The following options are available when making Contributions:
  - initial lump sum; or
  - additional lump sum; and/or
  - recurring investment by way of a debit order which can be payable monthly, quarterly, half-yearly or annually
5. You may amend Your recurring Contribution at any time with no penalties being levied.
6. If an annual escalation of the recurring Contribution is applicable, but no date is indicated, the date of the initial investment will be the Annual Escalation Date.
7. In the event that Your recurring investment is unpaid on the agreed date, You will have two (2) Business Days to rectify the Contribution else the allocated Contribution will be reversed from the Contract. The recurring investment (debit order) will be canceled after three (3) unpaid Contributions and the current investment value of the Contract will remain in force.
8. Contributions are subject to the following regulatory limitations:
  - There is no limit on the number or value of contributions within the first year of the Contract.
  - The value of any Contribution made in the second year is limited to 120% of the total Contributions made in the first year of the Contract.
  - Contributions made in the years subsequent to the second Contract Year is limited to 120% of the greater of any of the previous two (2) Contract Years' total Contributions.
  - If no Contributions are made for two (2) consecutive Contract Years, no further Contributions can be made into the Contract.
  - When a debit order investment instruction is received or when a debit order instruction is changed, the Administrator will estimate the total Contribution for the current contract year and use this value to ensure compliance with the above rules.
- Where the Contribution exceeds these limits the Insurer will accept these Contributions and initiate a new Contract with a new Restriction Period. In the event of this happening, You will always be notified by the Administrator and must provide consent to this. New business requirements as per the Checklist will apply.
9. The minimum once off lump sum, additional and recurring debit order Contributions amounts in the Ashburton Endowment are available on the Website and in the Investor Platform product brochure. In the event that the debit order is cancelled and/or the minimum investment falls below the requirement, we reserve the right to terminate the Contract and will notify you accordingly.
10. The total value of additional lump sums may not exceed five hundred thousand rand (R500 000) in any forty (40) day period. The alternative payment method for amounts exceeding five hundred thousand rand (R500000) is an electronic funds transfer directly into our bank account.
11. There are no lives assured under the Contract and the nomination of a Beneficiary of Ownership only applies if the Contract Holder is a natural person.
12. Only one (1) Beneficiary of Ownership may be nominated. A beneficiary may be removed, replaced and/or a new beneficiary can be nominated at any time. Such a change must be requested in writing and only once the Administrator has confirmed and noted the change in writing will it be valid.
13. The nominated beneficiary will take ownership of the Contract upon Your death and new business requirements as per the Checklist will apply. The history of the Commencement Date, Annual Escalation Date, Contributions, Loans and Surrenders of the existing Contract will be transferred to the beneficiary. The Restriction Period of five (5) years, the 120 % rule and the Loan/Surrender rule will apply to the Beneficiary of Ownership based on the history transferred from the original Contract Holder.
14. If the Contract is transferred to the nominated beneficiary and a Security Cession is noted on the Contract, the Security Cessionary should be notified and appropriate action will be taken.
15. In the absence of an elected Beneficiary of Ownership, the benefit may be paid to Your estate.
16. You are entitled to one Surrender and/or one Loan during the Restriction Period. The aggregate value of a Surrender and a Loan may not exceed the total Contribution to date plus 5% per annum compounded interest.

17. The maximum amount that may be Surrendered on this Contract during the Restriction Period is limited to the total Contributions to date plus 5% per annum compound interest. The Surrender value is further subject to the available Contract value of the Ashburton Endowment. In the event that the available Contract value is in excess of the 5% rule, a full withdrawal will not be permitted and any balance must remain invested until the Restriction Period ends. Where a full withdrawal is taken, subject to the limits above, the Contract will be terminated.
18. If the Contract is not in a Restriction Period You may withdraw part or all of the value of the Contract, which is the market value of the Contract less fees and charges referred to in section K.
19. You are entitled to one Zero Interest Loan during the Restriction Period. The maximum amount that may be taken as a Loan on this Contract during the Restriction Period is limited to the total Contributions to date plus 5% per annum compound interest. The Loan amount is further subject to the available Contract value of the Ashburton Endowment. In the event that the available Contract value is in excess of the 5% rule, a full Loan will not be permitted and any balance must remain invested until the Restriction Period ends.
20. If the Contract is not in a Restriction Period You may take part or all of the value of the Contract as a Loan, which is the market value of the Contract less fees and charges referred to in section K.
21. Loan Repayments can only be made with a lump sum or in ad hoc instalments amounting to the full Loan amount. The Loan Repayment cannot be made by means of recurring investments or Phase-in instructions. The Loan Repayments may not exceed the loan amount.
22. Third party payments are not permitted. Payments of the proceeds of Loans and Surrenders can only be made to the South African bank account of the Contract Holder.
23. This Contract may be ceded as security (Security Cession) or to a new contract holder (Outright Cession) being either a natural person or legal entity.
24. If ceded as a Security Cession the Administrator will require a copy of the security cession agreement or deed of pledge. Once received, the Administrator will note the Security Cession and confirm this in writing. Ownership of the Contract shall remain that of the Cedant, subject to the Cedant fulfilling his/her obligations. Written confirmation signed by the Contract Holder specifying the cession and details of the Security Cessionary must be provided to the Administrator. Furthermore, FICA documents as per the Checklist are required by the Administrator. The Cession may be cancelled once the Administrator has been notified in writing by the Cessionary. Where a Security Cession is noted on an investment, the current beneficiary nomination will automatically be cancelled. The onus is on the Cedant to nominate a new beneficiary once the cession has been cancelled.
25. The Administrator requires written authority from the security Cessionary in the event that the Investor requires a switch, Loan and/or Surrender.
26. This Contract can also be ceded as an Outright Cession by sending the Administrator a copy of the cession agreement. The Administrator will change the ownership of this contract according to the cession agreement and confirm the change of ownership to the Outright Cessionary. Written confirmation signed by the Contract Holder specifying the cession and details of the Outright Cessionary must be provided to the Administrator. Furthermore, FICA documents as per the checklist as well as the necessary form completed by the Outright Cessionary are required by the Administrator. For the avoidance of doubt, a new Contract will not be initiated. The history of the Commencement Date, Annual Escalation Date, Contributions, loans and surrenders of the existing Contract will be transferred to the cessionary. The Restricted Period of five (5) years, the 120 % rule and the surrender rule will apply to the Outright Cessionary based on the history transferred from the Cedant.
27. The Cooling-Off period allowed to cancel this Contract is thirty (30) days after receiving investment confirmation. This may result in the Investor receiving less than the initial Contribution back.
28. The Administrator will pay You the market value of the assets as determined by the closing price on the day that the investment is sold (refer to Section E). The investment value is determined by changes in the investment market and exchange rates between currencies (where applicable). The Administrator will also refund all of its fees and that of the financial advisor. Such a cancellation notice must be sent to the Administrator in writing. Should the notification be received after thirty (30) days, but less than sixty (60) days after the effective date, and the Contract Holder can prove that the notification was communicated to the Administrator within the thirty (30) day notice period; the Administrator will proceed with the cancellation.
29. This Contract does not have a fixed term and becomes open-ended after the Restriction Period has passed, and ends when you surrender the total amount available under the Contract subject to any regulatory restrictions.
30. The Administrator will invest in the standard (clean) fee class of any particular fund that is available for investment, unless otherwise indicated. If a specific class of fund is closed or if the Administrator cannot continue to offer it, the Administrator will inform you or your financial advisor and request a new investment instruction. If the Administrator does not receive an alternative instruction within thirty (30) days, the assets will be invested into the Ashburton Money Market Fund.
31. In the case of unclaimed benefits the ASISA (Association of Savings and Investments South Africa) standard on unclaimed assets will be followed. A detailed copy can be found at The Administrator will contact the Contract Holder or beneficiary when they become entitled to any benefit within this Contract. The Contract Holder must at all times ensure that the Administrator has their updated contact details, as well as that of their beneficiary. In the event that the Administrator is unable to make contact with the Contract Holder or the beneficiary, the benefit will be deemed unclaimed. The Contract Holder consents to the Administrator making use of third party resources in order to trace and contact the Contract Holder or the beneficiary and any reasonable costs incurred in tracing the beneficiary may be recovered from the Contract. The standard minimum tracing principles as per the ASISA guide will be followed by the Administrator.
32. In the event that an investment Contract is replaced (in part or in full) the Contract Holder must ensure that the implications of such a replacement, which could affect costs and consequences of the investment in a portfolio and any tax consequence, are understood. If this Contract is a replacement of an existing Contract through Your financial advisor, it is compulsory to complete the ASISA Replacement Contract Advice Record which can be found on the Website.
33. It must be noted that the Administrator acts on behalf of the Insurer in terms of a binder and outsourcing arrangement and will communicate with You on behalf of the Insurer. The Administrator will confirm changes, provide statements and process instructions.
34. The Administrator earns a binder and outsourcing fee from the Insurer based on the cost incurred by the Administrator to perform the activities relating to all similar Contracts and a reasonable return.

### C. Communication

1. You can register for secure online web access, which will give up to date information on the investment and transactions. Upon acceptance of the application, online access will be granted within two (2) business days if selected.
2. All communication and correspondence is available on the Website. It is easily retrievable to view or download by You and/or Your financial advisor.
3. You can elect to receive communication by email.
4. The Administrator will send notifications to the financial advisor upon receipt of an instruction.
5. By appointing a financial advisor you consent to them receiving all communication regarding your investment.
6. A transaction confirmation will be sent, once the transaction has been processed.
7. Quarterly statements are available on the Website. An sms or email will be sent when quarterly statements are available on the Website depending on the notification preference.
8. The Administrator promotes environmentally friendly practices. The option to receive communication via post is only available on request.

## D. Financial advisor and licensing

1. It is always prudent to have a financial advice from a financial advisor. It is Your responsibility to choose and appoint one and to negotiate fees with such a financial advisor.
  2. The Administrator will only accept the appointment of a financial advisor if such advisor is a representative of a financial services provider (FSP) that is approved by the Financial Services Board (FSB) and is appropriately Licensed to render services for this product in terms of section 7(3) of FAIS and who has an agreement with the Administrator to act as the appointed advisor and to earn advice fees on the investment.
  3. An advisor can be appointed to provide advice provided they are authorised to do so as a representative of a category I FSP and/or category II FSP.
  4. Should the financial advisor be a representative of a category II FSP, the Administrator can be instructed to accept their investment instructions as a discretionary investment manager, subject to an agreed mandate.
  5. In the event that the financial advisor is not appropriately licensed, the Administrator will not execute any instructions.
- Notwithstanding the above, it must be noted that the Administrator and the Insurer will under no circumstances be held responsible for any direct or indirect loss or damages caused.
6. The information used to verify FAIS licences is sourced from third party providers and the FSB. The Administrator makes every effort to ensure the accuracy of the information but cannot guarantee it. The Administrator and Insurer will not be responsible should the information be incorrect and cause delay in executing a transaction.
  7. Where a financial advisor has not been appointed, the Insurer and the Administrator will not provide any advice. The selection of the investment will be entirely at Your discretion. Only factual information and queries of an administrative nature will be responded to.
  8. The Insurer and the Administrator will not bear any responsibility for inadequate or insufficient advice on the investment. Should you decide to remove or change the appointed financial advisor, this instruction must be made in writing to the Administrator.
  9. Should you decide to remove or change the appointed financial advisor, this instruction must be made in writing to the Administrator.

## E. Processing of instructions

1. You must ensure that all of the instructions and supporting documentation (outlined in the checklist) need to be clear and complete and in the correct form. If there are any changes to the information provided in the application form, such changes need to be initialed by the Contract Holder. It must be noted, however, that the Contract Holder may under no circumstances amend the application form, terms and conditions and required supporting documentation.
2. If any instruction is submitted to the Administrator, the responsibility of ensuring that such instruction was received is that of the Contract Holder and/or financial advisor. Fax confirmation receipts or e-mail delivery confirmations do not constitute proof that the instruction has been received.
3. The Insurer and/or Administrator reserve the right to withhold the processing of any unclear, incomplete or ambiguous instructions submitted by the Contract Holder or financial advisor.
4. The Administrator will only process the application when all required documents are received and, if applicable, the deposit reflects in the bank account. You will be notified via the financial advisor or selected communication preference method once the investment is active.
5. For the latest information in regards to cut-off times for all valid investment/transaction instructions please refer to the Website.
6. All valid investment/transaction instructions received before 2pm on a Business Day will be processed on the same day and receive the closing price of the following Business Day. The transaction will reflect on your statement on the third Business Day.
7. All valid investment instructions received **after 2pm** on a Business Day will be **processed on the following Business Day** and receive the **closing price of the third Business Day**. The transaction will reflect on your statement on the fourth Business Day.
8. All valid withdrawal instructions received **before 2pm** on a Business Day will be **processed on the same day** and receive the **closing price of the following Business Day**. The transaction will reflect on your statement on the 3rd Business Day.
9. All valid withdrawal instructions received **after 2pm** on a Business Day will be **processed on the following Business Day** and receive the **closing price of the 3rd Business Day**. The transaction will reflect on your statement on the 4th Business Day.
10. The withdrawal proceeds will reflect in the Investor's bank account within a maximum of five (5) business days following the Business Day on which disinvestment instruction is processed.
11. All valid switch instructions received **before 2pm** on a Business Day will be **processed on the same day** and the switch out (sell) leg will receive the **closing price of the following business day**. The switch in (buy) leg will be **processed on the 3rd Business Day** and receive the **closing price of the 4th Business Day**. If you switch units, the switch out (sell) and switch in (buy) leg will not take place on the same day. The transaction will reflect on your statement on the 5th Business Day.
12. All valid switch instructions received **after 2pm** on a business day will be **processed on the following Business Day** and the switch out (sell) leg will receive the **closing price of the 3rd Business Day**. The switch in (buy) leg will be **processed on the 4th Business Day** and receive the **closing price of the 5th Business Day**. The transaction will reflect on your statement on the 6th Business Day.
13. Please refer to the Fund List in the event that you are investing in an instrument other than a daily priced unit trust for the applicable timing standards.
14. Should the Investor deposit a cheque, the investment/transaction will only be affected once the funds have been cleared. The Administrator will debit your account for a once-off debit (if requested) within (2) two Business Days of receiving a valid and complete application and supporting documents or on the date specified on the application form.
15. The following options are available when investing:
  - initial lump sum; or
  - additional lump sum; and/or
  - recurring investment by way of a debit order.
16. The clearance period of direct debits is (40) (forty) calendar days and units bought with a debit order, or once off debit, can only be redeemed after (40) forty calendar days.
17. If the debit order date falls on a non-Business Day, it will be processed on the next Business Day. Bank accounts will be debited on the 1st Business Day of the month and units will be purchased the next Business Day.
18. The cut-off date for regular investment debit order instructions are not fixed and may vary from month to month. Refer to the events calendar on the Website for the debit order instruction cut-off dates.
19. The Insurer does not accept cash deposited directly into its bank account, cash has to be moved from the Investor's bank account either via electronic funds transfer or via direct debit.
20. No interest shall be payable by the Administrator until the expiry of the first completed Business Day after the receipt by the Administrator of the funds. After the expiry of the first completed Business Day, interest shall become payable at the best call account rate published by FNB Savings and Investments through its Online Banking Platform as amended from time to time. Please refer to [www.fnb.co.za/rates](http://www.fnb.co.za/rates) for the applicable interest rate.
21. When an initial investment or an additional Contribution is made, the investment can be Phased-In to the selected Unit Trusts monthly over a minimum of three (3) months and a maximum of twenty four (24) months. Should the Phase In option be selected the initial Contribution must be placed in the Ashburton Money Market Fund. This is subject to the investment minimums (as per the application form) applicable at the time of the transaction.
22. In the event that a Fund has a balance of fifty rand (R50.00) or less, the Administrator will switch this amount to the Fund with the highest value.
23. All payments can only be made in South African rands into a South African based current or savings account held in Your name. We cannot make third party payments.
24. Any income distribution made within a unit trust will be automatically re-invested, net of any applicable withholding tax.
25. You are obliged to inform the Administrator of any changes with regards to bank or contact details, including postal, residential and email address, and provide, where appropriate, supporting documentation.

## F. Investment

1. You may select any one or a combination of the Unit Trusts made available by the Administrator as the underlying investments of this contract. The Insurer owns all underlying investments of the contract. Investments are held in safe custody by the approved FSB/ JSE Nominee Company. The value of the investment is directly linked to the underlying investments. The value of the Ashburton Endowment is therefore not guaranteed.
2. The value of the investment is increased by:
  - positive investment returns;
  - additional contributions;
  - allocations of dividends and interest earned.
3. The value of the investment is reduced by:
  - negative investment returns;
  - any relevant fees and charges;
  - surrenders and loans;
  - deductions for tax liability (e.g. Capital Gains Tax, Tax on Income and Dividend Withholding Tax).
4. There is no guarantee of the performance or capital guarantee of the investment.

## G. Ringfencing

1. "Ring-fenced" or "ring-fencing" means the suspension of a disinvestment instruction of units in a collective investment scheme by the Unit Trust management company in accordance with the Collective Investment Schemes Act, 2002 (Act No. 45 of 2002).
  2. When the Administrator is notified that a manager has ring-fenced a sell instruction, the Administrator will cancel a sell or switch instruction. The Administrator will then resubmit Your instruction the following Business Day for trade at the price of that day.
  3. You hereby indemnify the Administrator and Insurer from any direct and indirect loss or damages that you may suffer due to ring-fencing.
- Should the instruction be ring-fenced again, the Administrator will follow the ring-fencing process. This means that it could take up to twenty (20) days for the proceeds to be available.

## H. Model portfolio

1. In the event that the Investor wishes to invest all or part of his/her initial investment (or any subsequent additional investments) in a Model Portfolio the following provisions shall apply:
  - A Model Portfolio is not a collective investment scheme.
  - Where an Investor selects a Model Portfolio, the Investor will hold a separate Portfolio of units in the underlying investments.
- The Portfolio Manager shall be solely responsible for selecting funds which are to be included in the Model Portfolio.
- In the event that the composition of a relevant Model Portfolio is changed, the Investor hereby authorises the Administrator to accept instructions from the Portfolio Manager.
- The Investor may at any time withdraw from or switch out of the Model Portfolio by written notice to the Administrator.

## I. Phase-In

1. If the Investor requests to Phase-In all or part of the initial investment the following will apply:
  - The Phase-In Sum shall be transferred into the Phase-In Fund no later than the Business Day following the day of the acceptance by the Administrator of the relevant instruction form.
  - The Investor acknowledges that the Administrator shall be authorised to withdraw from the Phase-In Fund and invest in your chosen investment Portfolio on the first Business Day of each month until your selected number of phases have been completed.
2. Please note that Phase-In is not possible for instruments other than a daily priced Unit Trust.
- In order for the first phase-in to take place on the first Business Day of the next month, the instruction to Phase-In should be received before the scheduled cut-off date. Refer to the events calendar on the Website for scheduled Phase-In cut-off dates.
- The next Phase-In amount is calculated using the latest market value of the phase-in fund on the remaining total balance of the Phase-In Fund (including interest & dividends where applicable and market performance) divided by the remaining number of phases left.

## J. Ashburton Money Market Fund - Fee account

1. You may allocate a portion of the investment to the Ashburton Money Market Fund from which the Administrator will deduct the annual administration fee and advice fee.
2. Should You choose the Ashburton Money Market Fund as the preferred fee Unit Trust and it does not have sufficient funds to pay fees, or no preferred fee account is selected, the Administrator will deduct fees proportionately from the Portfolios.
3. For clarification, the Ashburton Money Market Fund designated for the deduction of fees and charges will be called the Ashburton Money Market Fund-Fee Account. This means that You can have both the Ashburton Money Market Fund-Fee Account and Ashburton Money Market Fund on the contract

## K. Fees and charges

1. There are fees involved with investing. These fees exclude VAT, unless stated otherwise.
2. When a fee or charge is levied against the underlying investments of the Contract the underlying Unit Trusts and their associated class will determine certain aspects of the fee structure as outlined in the fee quotation.
3. The total initial advice fee payable must not exceed the maximum of 3% (excluding VAT) irrespective of how many financial advisors are involved. The total on-going advice fee payable must not exceed the maximum of 1% (excluding VAT) irrespective of how many financial advisors are involved.
4. Where applicable, these fees and charges are levied proportionately across all Unit Trusts and/or Model Portfolios in the Contract. You may choose to have that annual administration and annual advisor fees be deducted from the Ashburton Money Market Fund - Fee Account. If the preferred fee Unit Trust does not have sufficient funds to pay the fees the Administrator will deduct fees proportionately from the remaining Unit Trusts and/or Model Portfolios.
5. The types of fees that may be deducted from the contract on an initial and annual basis are:
  - administration fees;
  - portfolio fees (if applicable); and
  - financial advisor fees.
6. Initial fees are deducted before the investment of the contribution is made.
7. If the Manager of a chosen Unit Trust fund charges an initial fee to invest in its funds, the Manager may deduct this fee before purchasing units in the fund.
8. Should you select to invest in the solutions managed within the FirstRand Group that are available through the Administrator, no platform administration fees shall be charged. Platform administration fees are only levied on solutions managed by third party managers. Platform administration fees are charged on a tiered sliding scale. The average platform administration fee may differ from Contract Holder to Contract Holder according to the chosen range of Funds and total amount invested.
9. All annual fees are accrued daily, based on the market value of the portfolio at the end of the previous Business Day.
10. The fee accrual period is not fixed and the accrual start and end dates may vary from month to month. Refer to the events calendar on the Website for monthly fee accrual periods. The Administrator will never accrue fees twice.
11. The investment management fee, which is determined by the manager, is not recovered from the contract, but directly from the Unit Trust and is included in the published unit price. The investment management fee may be fixed and/or performance related. Please refer to the relevant Unit Trust fund fact sheets and the Fund List for more details.
12. Investment management fees and any applicable rebates shall be set out in the Fund List available on the Website.
13. You and Your financial advisor may agree on an annual financial advisor fee (as indicated in the application form or any other written communication acceptable to the administrator). Depending on the class of chosen Unit Trust, an amount equal to the financial advisor fees is either: a) deducted by selling units from the Unit Trusts underlying the investment account or b) included in the published unit price of the unit trust. These fees are paid to the financial advisor monthly in arrears.
14. On-going advice fee as agreed between You and Your financial advisor will be levied as a cost against the Ashburton Endowment in terms of the product rules. You may elect to cancel the advice fee this should be communicated in writing detailing the termination of the relationship with the financial advisor where they have not met their advice giving obligations in terms of FAIS.
15. If the Unit Trust manager charges an exit fee, the proceeds of the sale of any units will be reduced by the exit fee.
16. In exceptional circumstances where rebates are earned in excess of the platform administration fee, such rebate will be retained by the Administrator. Refer to the Fund List for funds where this applies.
17. The Administrator aggregates the total investments on the platform across all products owned by the Contract Holder on the daily closing values and then applies the tiered scale. An average fee percentage is then determined based on the tiered scale. This percentage is then used to accrue the actual fee on non- Ashburton funds only on a daily basis.

## L. Fund list

1. Investors can only invest in funds listed on the Fund List.
2. Unit Trusts listed on the Fund List may preclude certain investors. The Investor should liaise with a financial advisor in respect of the availability and suitability of the inclusion of any particular funds in the Portfolio.
3. The Fund List contains detailed information regarding fund minimums, restrictions and applicable fee disclosures.
4. The latest Fund List is available on the Website from Your financial advisor or our client services team.

## M. Confidential information

1. Silica, on behalf of the Administrator collects information from you directly; from Your usage of our products and services; from Your engagements and interactions with us; from public sources and from third parties.
2. Your information will be confidential and will only be processed if you consented thereto; it is necessary to conclude or perform in terms of a contract with You; the law requires it or Your, our or a third parties lawful interest is being protected or pursued.
3. Silica and the Administrator may process Your information. Information includes amongst others information regarding marital status, national origin, age, language, birth, education, financial, identifying number, email address, physical address, telephone number, online identifier, biometric information and Your name.
4. The processing of information includes the collection, storage, updating, use, making available or destruction thereof.
5. Silica and the Administrator may process your information for the following reasons (amongst others):
  - to comply with legislative, regulatory, risk and compliance requirements (including directives, sanctions and rules), voluntary and involuntary codes of conduct and industry agreements or to fulfill reporting requirements and information requests;
  - to detect, prevent and report theft, fraud, money laundering and other crimes;
  - to enforce and collect on any agreement when You are in default or breach of the agreement terms and conditions, like tracing You or to institute legal proceedings against You;
  - to conduct market and behavioral research, including scoring and analysis to determine if You qualify for products and services;
  - to develop, test and improve products and services for You;
  - for historical, statistical and research purposes;
  - to process payment instructions like a debit order;
  - to manage and maintain Your accounts or relationship with the Administrator;
  - to enable Silica and the Administrator to deliver documents or notices to You;
  - for security, identity verification and to check the accuracy of your information;
  - to communicate with You and carry out Your instructions and requests;
  - For customer satisfaction surveys, promotional and other competitions.

6. Silica and the Administrator may share Your information with the following persons (amongst others) who have an obligation to keep Your information secure and confidential:
  - attorneys, tracing agents, debt collectors and other persons that assist with the enforcement of agreements;
  - payment processing services providers, merchants, banks and other persons that assist with the processing of Your payment instructions;
  - law enforcement and fraud prevention agencies and other persons tasked with the prevention and prosecution of crime;
  - regulatory authorities, governmental departments, local and international tax authorities and other persons that Silica and the Administrator under the law have to share your information with;
  - Silica and the Administrator's service providers, agents and sub-contractors like couriers and other persons that Silica and the Administrator use to offer and provide products and services to You;
  - persons to whom Silica and the Administrator cede their rights or delegate their obligations to under agreements.
7. Silica and the Administrator can process Your information outside of the borders of South Africa, according to the safeguards and requirements of the law. The person processing Your information will apply the same level of protection as required in South Africa.
8. Silica and the Administrator may process your information using automated means (without human intervention in the decision making process) to make a decision about you or Your application for any product or service. You may query the decision made about You.
9. You have the right to access the information Silica and the administrator has about You by contacting us at [compliance@ashburtoninvestments.co.za](mailto:compliance@ashburtoninvestments.co.za).
10. You have the right to request us to correct or delete the information Silica and the Administrator have about You if it is inaccurate, irrelevant, excessive, out of date, incomplete, misleading, obtained unlawfully or no longer authorised to be kept.
11. You may object on reasonable grounds to the processing of your information in general or for the purposes of direct marketing. You may not object to the processing of Your information if you have provided consent or legislation requires the processing. You must inform us of your objection at [compliance@ashburtoninvestments.co.za](mailto:compliance@ashburtoninvestments.co.za).
12. You have the right to withdraw your consent which allows us to process Your information.
13. You have the right to file a complaint with the information regulator about an alleged contravention of the protection of your information.
14. You can refer to our privacy policy located [www.ashburtoninvestments.com](http://www.ashburtoninvestments.com) for more information on our privacy practices.

## N. Complaints

1. You are entitled to contact the Administrator to complain if dissatisfied with the administration of the Ashburton Endowment or services provided by contacting the client services team. The Administrator will follow the complaints resolution process when investigating a complaint. A copy of the process is available on the Website.

You may contact the Ashburton compliance department if You are not satisfied with the outcome of the complaints resolution process, or You may contact the FAIS Ombud or the Long-term Insurance Ombud.

## Contact details

### Ashburton Investments

Ashburton website: [www.ashburtoninvestments.com](http://www.ashburtoninvestments.com)

### Ashburton Client Services Team

Telephone number: 0860 274 287

E-mail Address: [query@ashburtoninvest.co.za](mailto:query@ashburtoninvest.co.za)

### Ashburton compliance department

E-mail address: [complaints@ashburtoninvestments.co.za](mailto:complaints@ashburtoninvestments.co.za)

Postal address: PO Box 653780, Benmore, 2010

### FirstRand Life Assurance Limited

Long-term Licence No. 00102/001, Reg. No. 2014/264879/06.

E-mail address: [fnblife@fnb.co.za](mailto:fnblife@fnb.co.za)

Telephone number: 087 736 7772

### Ombud for FAIS

Telephone number: +27 (0) 12 470 9080

Facsimile number: +27 (0) 12 648 3447

E-mail address: [info@faisombud.co.za](mailto:info@faisombud.co.za)

Postal address: PO Box 74574, Lynnwood Ridge, 0040

### Ombud for long-term Insurers

Telephone number: +27 (0) 21 657 5000

Facsimile number: +27 (0) 21 674 0951

E-mail address: [info@ombud.co.za](mailto:info@ombud.co.za)