

Living Annuity Application

Instructions

1. This application and supporting documentation must be emailed to instruct@ashburtoninvest.co.za or fax it to 0860 762 468.
2. Please complete all relevant sections of this application in order for us to process this investment.
3. Terms and Conditions are available on our website at www.ashburtoninvestments.com, from our Client Service Team on 0860 274 287 or from your financial advisor. By signing this form you acknowledge that you have read and understood these, and that you will be bound by such Terms and Conditions.
4. All valid 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.
5. Documentation required in order for us to process your application, herein after referred to as Checklist:
 - a. Proof of deposit (if applicable)
 - b. Proof of bank details
 - c. Recognition of Transfer from the transferring fund
 - d. Copy of ID/passport where identification/passport number has been provided
 - e. If you are investing in a Personal Share Portfolio please complete the addendum which is available on our website.
6. The Administrator will only process this application when all required documents are received and, if applicable, the deposit reflects in the bank account specified at the end of this form or your latest statement from the transferring fund.

The Ashburton Living Annuity is underwritten by FirstRand Life Assurance Limited ("Insurer"), Long-term Licence Number 00102/001, Registration Number 2014/264879/06.

Ashburton Investor Services Proprietary Limited ("Administrator"), Registration Number 2011/139123/07, is an authorised administrative financial services provider (FSP Number 44341) and is the administrator of this investment.

01. Investor details

Individual investor (this includes sole proprietor and partnership)

New investor ☐ Existing investor ☐ (if existing Ashburton investor, supply investor ID and only complete fields marked with an asterisk*)

Investor ID

Title*

Surname*

First name(s)*

Identity/Passport number*

Date of birth

| Y | Y | Y | Y | M | M | D | D |

Country of birth

Country of residence

Are you a registered South African taxpayer? Yes ☐ No ☐

If yes, supply income tax number

Country of tax residency

Nationality(ies)

Residential address

Area code

Postal address (if the same as residential address, please tick this box) ☐

Postal code

Email address (please provide your email address if you require web access, or if you prefer email communication)

<input type="text"/>	
Contact telephone number	Mobile number*
<input type="text"/>	<input type="text"/>

At least one contact number must be supplied.

If you are acting on behalf of the investor (eg legal guardian or person with power of attorney to act on behalf of the investor), please complete the Person Acting on Behalf of the Investor Form, found on our website and supply the required FICA documentation.

02. Bank details of investor for income payments

Please supply proof of bank details (a cancelled cheque or relevant bank statement or a letter on a bank letterhead with bank stamp not older than 3 months). The bank account must be in the name of the investor. Please note that no third party payments will be accepted.

Name of bank

<input type="text"/>	
Branch code	Branch name
<input type="text"/>	<input type="text"/>
Account name	Country
<input type="text"/>	<input type="text"/>
Account no.	Type of account
<input type="text"/>	Current <input type="checkbox"/> Savings <input type="checkbox"/>

All payments will be made electronically into the current or savings account of the registered investor only.

If you are an emigrant and have a blocked rand account please complete the Blocked Rand Investment form available on our website.

03. Web access and communication preferences

Web access

Would you like to have web access to view your statements, correspondence and upload instructions?

Yes ☐ No ☐

Communication preferences

How would you like to receive confirmation notes and quarterly statements?

1) Email ☐ or

2) Web, with preferred method to be notified when new communication is available online:

a) SMS ☐ b) Email ☐ c) No notification, I will visit the website regularly ☐

3) None, all communication will be via my advisor. ☐

04. Investment details

The minimum initial investment amount is R100 000.

Estimated investment amount R

If you require a phase-in, please specify the immediate investment percentage %, the balance to be phased-in over months (between 3 and 24).

Is this a transfer from:

Retirement Annuity (Section 14) ☐

Living Annuity (Section 37(2)) ☐

Pension/Provident Preservation Fund (Section 14) ☐

Registered name of transferor fund(s)

<input type="text"/>
<input type="text"/>
<input type="text"/>

05. Investment allocation

It is important to note that investments held in your living annuity are made up of various types of assets classes such as equities, bonds, property or cash. These underlying assets have different levels of risks and returns associated with them. You and your financial advisor are therefore reminded to carefully consider the overall composition of your living annuity in terms of the exposure to these various asset classes. Too high a proportion of risky assets means there is a greater risk of losing capital while too low a proportion of risky assets means there is a risk that investment returns may be too low to sustain your income.

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

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

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

This regulated exposure will apply while you are saving up to your retirement through an approved retirement fund. After retirement, when you are normally dependent on receiving a regular and stable income, a more conservative approach to asset selection may be desirable. As a result, should your asset composition on your living annuity exceed these limits, you are encouraged to review your living annuity investment strategy, as your capital within your living annuity may be exposed to undue risk.

Source: ASISA Standard on Living Annuities, 2009

Instrument name	Lump sum %
	%
	%
	%
	%
	%
	%
	%
	%
	%
	%
	%
Ashburton Money Market Fund - Fee Account*	%
Total	100%

*Where you have selected to invest in a Personal Share Portfolio, a minimum of 2% of the lump sum investment amount must be allocated to the Ashburton Money Market Fund – Fee Account from which the administrator will deduct the annual administration fee and advice fee.

Please note that Personal Share Portfolios are not available for phase-in instructions.

06. Annual administration fee (Tiered scale, including VAT)

Unit trust based portfolios

Aggregated assets on the platform	Assets managed within FirstRand	Assets not managed within FirstRand*
First R1 000 000	0.00%	0.45%
Next R2 000 000	0.00%	0.35%
Above R3 000 000	0.00%	0.22%

Personal share portfolios

Aggregated assets on the platform	Assets managed within FirstRand	Assets not managed within FirstRand*
First R1 000 000	0.00%	0.62%
Next R2 000 000	0.00%	0.52%
Above R3 000 000	0.00%	0.39%

*Assets managed by a third party that is not part of the FirstRand Group.

07. Income details

A living annuity allows you to set your income level subject to constraints imposed by the authorities from time to time and allows you to select a wide range of investments in respect of the capital that will generate the annuity. The level of income you select is not guaranteed for the rest of your life. The level of income you select may be too high and may not be sustainable if:

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

It is your responsibility (in consultation with your financial advisor) to ensure that the income that you select is at a level that would be sustainable for the rest of your life. You need to carefully manage your income drawdown relative to the investment return on the capital in order to achieve this. The table below can be used as a guide.

Years before your income will start to reduce

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

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

Please ensure that your financial advisor has explained both the advantages and the risks of the living annuity. The table is a general guideline and should be considered taking into account each annuitant's financial situation and all other sources of income. It is an indicative guideline only, to assist you in making informed decisions in respect of your annuity.

SOURCE: ASISA Standard on Living Annuities; 2009

The pre-tax annuity income is subject to a legislation minimum of 2.5% per year and maximum of 17.5% per year. For your annuity to be paid by the 25th of the month, your instruction with supporting documents needs to be received by **2pm** on the 19th of the month.

Please indicate the annuity amount you require per annum, **payable in advance**. (Not applicable if transferring from an existing annuity)

Annuity % per annum or R

Annuity income frequency (Not applicable if transferring from an existing annuity)

Monthly ☐ Quarterly ☐ Half-yearly ☐ Annually ☐

Annuity frequency and amount can only be changed annually on the anniversary date.

Select income disinvestment

Proportionately across fund selection (default option) ☐

From specific funds, complete table below (if funds are depleted allocation will change to proportionately) ☐

Disinvestment allocation

Instrument name	Amount	Percentage
		%
		%
		%
		%
		%
		%
		%
Total		100%

08. Income tax rate

Do you want to specify an income tax rate? Yes ☐ No ☐

If yes, please specify the percentage of income tax to be deducted %

The Administrator will aggregate your Ashburton annuities to determine the appropriate tax bracket as required by legislation.

In the event that the tax rate you specified is lower than the rate calculated using the income tax tables, we will require a valid tax directive from SARS. On expiry of the tax directive, you will need to apply for a renewal from SARS. Should this not be provided, the published income tax rates will be applied in calculating the tax levied on your income and reviewed each tax year.

Please note that the income amount selected above might differ to the actual annuity received as a result of the deduction of income tax.

09. Beneficiary nominations

You may nominate the following person(s) to receive any benefits from the Ashburton Living Annuity account on your death. You may change the appointed beneficiaries by notifying us in writing. If no beneficiary is appointed below, this contract will form part of your estate.

First name and surname/ Name of Legal Entity	Relationship	Identity number/Passport/ Registration Number of Legal Entity	Date of birth (if natural person)	% Share

Signature of spouse

Date

| Y | Y | Y | Y | M | M | D | D |

* The signature of the Annuitant's spouse is required if the Annuitant is married in community of property and nominates a beneficiary other than the policyholder's spouse.

10. Financial services provider ("FSP") details and declarations

Financial advisor name

Financial advisor code

FSP Sales Reference

FSP name

FSP code

Contact telephone number

Full discretionary mandate ☐

Limited discretionary mandate ☐

Limited discretionary mandate restrictions:

The FSP warrants that he/ she has the requisite authority to enter into this mandate as per the discretionary mandate entered into between the FSP and the investor.

Discretionary mandate declaration by investor

This section is only applicable if the FSP holds a Category II license ("Discretionary FSP") with the Financial Services Board, and is therefore an approved Discretionary FSP, and if you have entered into a discretionary mandate with the FSP.

The paragraph below contains statements which are an acknowledgment of fact by the investor. The investor must read the paragraph below carefully and ensure that the statements are true and correct. The paragraph below also places various risks, liabilities, obligations and legal responsibilities on the investor. As a result of the paragraph below, the investor's rights and remedies against the Administrator and other persons will be limited if the Administrator accepts, acts or relies on information and instructions given by the Discretionary FSP. The Administrator may also have claims and other rights against the investor.

I agree and understand that in terms of the mandate that I have entered into with the FSP, that the Discretionary FSP may give the Administrator instructions directly and I hereby authorise the Administrator to accept such instructions on my behalf. I further understand that if this mandate between me and the Discretionary FSP is terminated, that it is my responsibility to inform the Administrator timeously of this.

Investor signature

Date

| Y | Y | Y | Y | M | M | D | D |

Declaration by FSP

The FSP/authorised representative, by appending his/her signature hereto, states and declares that he/she has read and understood the Terms and Conditions pertaining to this investment product; warrants that all statements given by him/her in the application form are true and correct in every respect and that such statements shall form the basis of the contract, which is to be entered into, between the investor and the Administrator, as well as the contract between the investor and the FSP/authorised representative as regards the FSP/authorised representative. All statements made, and details supplied by him/her on the investor's behalf, whether by his/her own hand or otherwise, are true and correct, and the Administrator is entitled to regard them as such for the purposes of considering the investor's application to invest in the account, as well as for the purposes of paying any fees to the FSP/representative; and has adhered to all the requirements of the FAIS Act and its applicable subordinate legislation and Codes of Conduct in the course of rendering financial services to the investor.

The FSP/authorised representative acknowledges that he/she has personally explained all the fees and commissions applicable to this investment to the investor.

Signature of FSP/Authorised representative

Date

| Y | Y | Y | Y | M | M | D | D |

11. Marketing consent

I agree that my personal details and contact information may be used by Ashburton Investments to email me value added information that might be relevant to me:

1. Value added/Educational information (e.g. market or investment related information)

Yes ☐ No ☐

2. Information about Ashburton Investments' products and services

Yes ☐ No ☐

Please note that indicating 'No' to receiving marketing information does not impact on receiving notifications and transaction confirmations relating to your investments, as indicated in section 03. above. If no option is selected you will not receive any marketing information from Ashburton Investments.

This consent has no bearing on marketing consent that you may or may not have given to Ashburton.

12. Declaration by investor

By signing this application form, the investor declares that:

1. I warrant that all information and declarations provided by me in this form and all supporting documentation in connection with this application are true, correct and accurate in every respect.
2. I have read, understood and agree to the Terms and Conditions available on www.ashburtoninvestments.com or from the Client Service Team on 0860 274 287 and agree to be bound by such Terms and Conditions.
3. I have read and understood the portion relating to the processing of my personal information in the Terms and Conditions. Kindly refer to our Privacy Policy located on www.ashburtoninvestments.com for more information on our privacy practices.
4. I hereby confirm and consent as necessary that FirstRand Limited together with its affiliates and subsidiaries as defined in terms of the Companies Act 71 of 2008, may process (collect, use or otherwise deal with) my information (including processing of my personal information outside the borders of South Africa), which was voluntarily provided by myself, for the purposes of providing services and products, according to the Terms and Conditions and requirements of the law.
5. I confirm that the Administrator has not given me any advice in respect of the tax, legal, accounting, regulatory and/or financial consequences of investing in this investment.
6. I confirm that the money that I am investing in terms of this application form is not derived from the proceeds of any unlawful activities as defined and contemplated in the Prevention of Organised Crime Act, (Act No. 121 of 1998) ("POCA").
7. I fully understand the information and the risks that come with this investment and where I have a financial advisor, I confirm that the information on this investment product has been fully and adequately explained to me by my financial advisor.
8. I agree and understand that if I have elected not to have a financial advisor that the Administrator is unable to provide updates on legal changes and/or industry developments, and that the Administrator will not be monitoring my investment compared to my personal investment goals.
9. I have carefully read, understood and accept the latest Terms and Conditions and confirm that the Ashburton Living Annuity is based upon the Terms and Conditions, this application form and all supporting documentation as per the Checklist.
10. I confirm that the advisor, as authorised representative of the FSP specified in Section 09, is my appointed financial advisor.
11. I hereby confirm that where I have a financial advisor, I authorise this financial advisor to submit valid online instructions on my behalf.
12. I agree to pay the following negotiated fees to my financial advisor on this and all future transactions until otherwise specified.

Please specify the percentage, excluding VAT.

	Initial advice fee (excluding VAT)	Annual advice fee (excluding VAT)
Lump sum investment		

The maximum initial advice fee is 1.5%, excluding VAT.

The maximum annual advice fee is 1%, excluding VAT.

Signed at

Date

| Y | Y | Y | Y | M | M | D | D |

Signature of investor (or duly authorised person(s) where applicable)

Signature of person acting on behalf of investor (if applicable)

Capacity of person acting on behalf of investor

13. Living Annuity details

FSB registration number: 2014/264879/06

SARS number: 7920789460

Bank	RMB Corporate Banking
Account name	FirstRand Life Assurance Limited - Ashburton Living Annuity
Branch code	255005
Branch name	RMB Universal Code
Account number	62529584634
Reference number	Your ID number if a new client or your Investor ID if you are an existing investor.