

Terms and Conditions: Ashburton Living Annuity

Definitions

“Administrator” refers to Ashburton Investor Services (Proprietary) Limited, an authorised administrative financial services provider (“FSP”) in terms of FAIS and administrator of this contract.

“Anniversary” refers to the date on which the contract commenced. In the event that the contract resulted from a transfer, the anniversary date will be the same as before the transfer.

“Annuity Income” refers to the regular income payable to the contract holder. For the avoidance of doubt, the income referred to is income before income tax is deducted.

“Ashburton Living Annuity”/“Contract”/“Investment” means the legal agreement that governs your relationship between you, the Administrator and the insurer.

“Ashburton Nominees” refers to a nominee company approved by the Financial Services Board (“FSB”) to hold assets in safe custody on behalf of investors, in the case of this contract, the nominee company is Ashburton Nominees (Proprietary) Limited.

“Beneficiary of proceeds” refers to the party you nominate to receive the proceeds under the contract upon your death. This may be a natural person or legal entity.

“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.

“Commencement date” refers to the date on which the contract starts, which shall be the date 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 month the contract commenced.

“Cooling off period” there is no cooling off period applicable to the Ashburton Living Annuity.

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

“Fund List” refers to the list of unit trusts provided to you and/or your financial advisor to assist with unit trust selection, listing all the unit trusts available to investors by the Administrator, published by the Administrator from time to time and updated on the website.

“Insurer” refers to MMI Group Limited, Registration Number 1904/002186/06, a registered insurer governed by the Long-term Insurance Act, (Act No. 52 of 1998), and underwriter of this contract.

“Investor”/“Contract Holder”/“You” refers to the legal owner of the contract.

“Long Term Insurance Act”/“LTIA” refers to the Long Term Insurance Act, (Act No.52 of 1998) and governs the relationship between the Insurer and the Ashburton Living Annuity.

“Manager” refers to the company that manages the Portfolio(s) of a Collective Investment Scheme/ unit trusts in terms of the Collective Investment Schemes Control Act, (Act No. 45 of 2002).

“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.

“Personal Share Portfolio”/“PSP” is a selection of listed securities and/or instruments which may include shares, property, bonds and money market instruments administered by the Administrator. The composition of a segregated PSP is based on a pre-determined risk-profile and benchmark, and is managed by a portfolio manager to meet the investment objectives specified for that PSP. The composition of a bespoke PSP is based on the selection made by the investor and/or a portfolio manager.

“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 (3) 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 a portfolio vary depending on the portfolio’s investment objective. Portfolios may include “unit trust(s)”, “model portfolios” and/or “PSP’s”.

“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” shall mean 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.

“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 execution agent.

“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.

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. The application form, these terms and conditions and the documents as per the Checklist form the basis of the contract between the insurer, the Administrator and you. All other instructions which you provide to the Administrator shall also form part of this contract.
3. It must be noted that the Administrator acts on behalf of the insurer in terms of a binder arrangement and will communicate with you on behalf of the insurer. The Administrator will confirm changes, provide statements and process instructions.
4. The terms and conditions of this contract may be amended at any time. You will at all times be notified of this. Please contact your financial advisor (if appointed), the Client Services Team and/or the website for the latest versions of these. Your instructions will be processed as long as it is within legal and product limits. The latest copy of the terms and conditions posted on the website will govern our relationship.
5. The assets within your investment are held in the name of the insurer, which in turn is held in safe custody by Ashburton Nominees, or the nominee company of the PSP provider.
6. The Administrator has a conflict of interest management and complaints resolution policies which are available on the website.
7. The Ashburton Living Annuity is subject to the South African Income Tax Act, (Act No. 58 of 1962) and tax will be deducted where applicable.
8. The insurer and the Administrator hold adequate Professional Indemnity and Fidelity insurance covers as per the required legislation.
9. 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.
10. On-going advice fee as agreed between you and your financial advisor will be levied as a cost against the Ashburton Living Annuity in terms of the product rules. You may elect to cancel the advice fee by communicating this to us in writing in the event that you have terminated your relationship with the financial advisor.

B. Ashburton Living Annuity

1. The Ashburton Living Annuity is a long term insurance contract underwritten by the insurer and governed and regulated by the LTIA. The Ashburton Living Annuity is purchased from the insurer in your name and on your life to provide you with an annuity income. It can only be purchased with the proceeds from a retirement fund or with the proceeds from another living annuity. A living annuity is a post-retirement product designed to provide investors with an income after retirement. The annuity income is based on the market values of the assets in the investment of the product from anniversary date. Living annuities allow investors the opportunity to manage the growth of assets through investment selection options which in turn will influence the annuity income the investor will receive. Annuity income must at all times fall within limits as determined by legislation from time to time.
2. Determination of annuity income: A rand amount or percentage may be selected. The frequency of the payment may be monthly, quarterly, biannually or annually. The annuity income value may not be less than 2.5% and not greater than 17.5% of the net investment amount.
3. Annuity income payments: Annuity income payments are made at the frequency specified by you on the application form. For your annuity to be paid by the 25th of the month, your investment needs to be placed on or before the 20th of the month. Your instruction with supporting documentation must be received by 2pm on the previous business day.
4. Income Revisions: On each anniversary date you may change your annuity income and payment frequency within the limits as determined by the regulatory authority and/or legislation.
5. Section 1 of the Income Tax Act: stipulates that the source of a living annuity purchase can only be from any one or more of the following a) pension fund, b) pension preservation fund, c) provident fund, d) provident preservation fund, e) retirement annuity fund and/or a f) living annuity.
6. Advice Fees: The total initial advice fee payable must not exceed the maximum of 1.5% (excluding VAT) irrespective of how many financial advisors are involved. The total on-going advice fee must not exceed the maximum of 1% (excluding VAT) irrespective of how many financial advisors are involved.
7. Restrictions: Only the contract holder can receive the contract benefits as the right to any benefit (including income and investment) may not be: a) reduced, b) transferred or otherwise ceded, c) pledged or hypothecated (offered as security against a loan), d) liable to be attached or subjected to any form of execution under a judgment or order of a court of law, or to the extent of not more than three thousand rand per annum, e) capable of being taken into account in a determination of a judgment debtor's financial position, f) deemed to form part of the assets in the insolvent estate of that person and may not in any way be attached or appropriated by the trustee in his insolvent estate or by his creditors.
8. Anniversary date: Will by default be the first day of the month that the contract is purchased unless the purchase has taken place during or after that month's income run cut-off time in which case the anniversary date will then default to the first day of the following month. Regardless of frequency elected, the first income of each anniversary must commence in the first month of the anniversary period. Annuity income must be paid in advance and not in arrears. This is because South African Revenue Services ("SARS") will deem the income to have accrued and tax must be paid for the month accrued.
9. Cooling- Off Period: Contract holders cannot exercise the right to cancel the Ashburton Living Annuity contract. However, you may transfer your Ashburton Living Annuity to another long-term insurer registered under the provisions of the LTIA.
10. Additional Benefits: Legislation does not restrict the consolidation of benefits from different sources; however, it does state that each benefit must be treated separately for benefit entitlements. The Administrator will treat each benefit as a separate contract and new business requirements will apply.
11. Lump Sum Benefits Permitted from the Living Annuity: SARS has recognised the need for a contract holder to cash in the living annuity when it becomes too small for it to be financially beneficial for the contract holder. For this reason a contract holder may commute (cash in) the contract if: a) the total value of the contract is less than R50, 000.00 if any of the value of the annuity or any part of the retirement interest was previously commuted (includes cash taken on retirement, e.g. 1/3rd from a pension fund prior to transfer to living annuity) for a single payment, or b) the total value of the contract is less than or equal to R75, 000.00 in any other case. Any lump sum benefit from a living annuity is subject to tax as determined by Schedule 2 of the Income Tax Act.
12. Third party payments: are not permitted. The income, and any lump sum benefit, must be paid into the bank account of the investor.
13. Tax: In terms of legislation the investment returns (capital growth, interest and dividends) of the Ashburton Living Annuity is not taxed. Tax may be withheld on offshore investment returns. All your annuity income and cash lump sum amounts commuted by you, or a beneficiary after your death, will be taxed in line with South African Revenue Services (SARS) requirements. The Insurer must deduct tax from the Ashburton Living Annuity as per the PAYE tables under the Income Tax Act and assume that this is your only income. Should you provide the Administrator with a SARS tax directive, income tax will be deducted accordingly. In the event of your death, the market value of the investment account may be reduced by income tax (when the lump sum is elected by a beneficiary). Income tax will be incurred when: a) a beneficiary commutes the death benefit to a cash lump sum, or b) you fully withdraw the value of the investment account as is it less than the prescribed minimum amount.
14. Duration: This contract will cease on your death or until you transfer it to another insurer. When the total market value of the unit trusts in the investment is less than the amount prescribed by regulatory authorities or legislation, such an amount, less relevant fees and charges, may be withdrawn by you. The Administrator will request that you withdraw this amount. Your contract will terminate when this happens.

15. The Ashburton Living Annuity may be:
 - transferred to another insurer, subject to the provisions of Directive 135A (read with Directive 135) issued by the Registrar of Long-term Insurance or any replacement thereof or supplement thereto.
 - converted to a conventional life annuity administered by the Insurer or transferred to another insurer for this purpose. The conversion is a once off and cannot be reversed. The conversion will be subject to the provisions of Directive 135 issued by the Registrar of Long-term Insurance or any replacement thereof or supplement thereto.
16. Cessions: The Ashburton Living Annuity may not be ceded or pledged.
17. Beneficiaries: You may nominate one or more beneficiary/(ies) and indicate the proportion in which they are to share the proceeds. The nomination must comply with the Administrator's requirements. Your beneficiary/(ies) has no right to any benefit under the contract while you are alive. The Administrator must receive any nomination or changes to this in writing while you are still alive. You need to keep your nomination(s) up to date.
18. Death: The Administrator must be notified of your death in writing. Upon the death of the contract holder, the Administrator will dispose of the death benefit in the following manner: a) the full value of the contract may be paid to a beneficiary/(ies) elected by the contract holder either as an annuity or b) the full value of the contract may be paid to a beneficiary/(ies) elected by the contract holder either as a cash lump sum or c) the full value of the contract may be paid to a beneficiary/(ies) elected by the contract holder in the form of both an annuity and a cash lump sum; or d) in the absence of any beneficiary/(ies), to the deceased's estate as a lump sum payment. Any elected beneficiary/(ies) that are legal entities or individuals acting on behalf of legal entities may not purchase a living annuity.
19. Specific class of Funds: If a specific class of fund is closed or if the Administrator cannot continue to offer it, the Administrator will inform you and request a new investment instruction. If the Administrator does not receive an alternative instruction from you within 30 (thirty) days, the assets will be invested into the Ashburton Money Market Fund
20. Minimum Investment: The minimum initial investment amount required for the Ashburton Living Annuity is R100 000.00 (one hundred thousand rand).
21. Unclaimed Benefits: The ASISA (Association of Savings and Investments South Africa) standard on unclaimed assets will be used as a guide. A detailed copy can be found on www.asisa.co.za. 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. 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 Administrator may make use of third party resources in order to contact 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.

C. Communication

1. You can register for secure online web access, which will give up to date information on your investment and transactions. Upon acceptance of your application you will be granted online access within two business days if you have selected it.
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 your communication by email.
4. The Administrator will send notifications to your financial advisor upon receipt of an instruction.
5. By appointing a financial services provider (FSP), 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. You will be notified by either sms or email when quarterly statements are available on the website depending on your notification preference.
8. The Administrator promotes environmentally friendly practices. The option to receive your communication via post is only available on request.

D. Financial advisor and licensing

1. It is always prudent for you to obtain 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 licenced to render services for this product in terms of section 7(3) of FAIS and who has a service level agreement with the Administrator to act as your appointed advisor and to earn advice fees on your investment.
3. You can appoint a financial advisor to provide you with advice if they are authorised to do so as a representative of a Category I FSP and/or Category II FSP.
4. Should your financial advisor be a representative of a Category II FSP, you may instruct the Administrator to accept their investment instructions as they may act as a discretionary investment manager, subject to an agreed mandate.
5. The Administrator will verify each advisor license category and underlying financial product categories with the FSB.
6. 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 will under no circumstances be held responsible for any direct or indirect loss or damages caused.
7. The information used to verify FAIS licenses is sourced from third party providers. The Administrator makes every effort to ensure the accuracy of the information but this cannot guarantee it. The Administrator will not be responsible should the information be incorrect and cause delay in executing a transaction.
8. Where you have elected not to use a financial advisor, the Administrator will not provide you with any advice. The selection of the investment will be entirely at your discretion. You will only be provided with factual information and only queries of an administrative nature will be responded to.
9. There is no guarantee of the performance or capital guarantee of the investment and the Administrator will not bear any responsibility for inadequate or insufficient advice on the investment.
10. Should you decide to remove or change your 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) that you provide are clear and complete and in the correct form. If there are any changes to the information provided in the application form, you must initial such changes. 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 your application when all required documents are received and, if applicable, the deposit reflects in the bank account. You will be notified via your financial advisor or your communication preference method once your investment is active. You may also request a unit transfer.
5. All valid investment/transaction instructions received before 2(two) pm on a business day will be processed on the same day and receive the closing price of the following day.
6. You will have the following options when investing:
 - initial lump sum; or
 - unit transfer.
7. In the event that a unit trust fund in your portfolio has a balance of R100 or less, the Administrator will switch this amount to the fund with the highest value.
8. You may phase your initial investment into your selected unit trusts monthly over a minimum of 3 (three) months and a maximum of 24 (twenty four) months. Should you wish to phase your investment in, your contribution must initially be placed in the Ashburton Money Market Fund. You acknowledge that this is subject to the investment minimums (as per the application form) applicable at the time of the transaction.
9. You are obliged to inform the Administrator of any changes with regards to your bank or contact details, including your 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, model portfolios or PSP's 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 trust by Ashburton Nominees. The value of the investment is directly linked to the underlying investments. The value of the Ashburton Living Annuity is therefore not guaranteed.
2. The market value of the investment is increased by:
 - Positive investment returns;
 - Allocations of dividends and interest earned.
3. The market value of the investment is reduced by:
 - Negative investment returns;
 - Tax that may be withheld on offshore investment returns;
 - Any relevant fees and charges;
 - Annuity Income.

G. Ringfencing

1. "Ring-fenced" or "ring-fencing" means the suspension of a withdrawal instruction of your units in a collective investment scheme by the unit trust management company in accordance with the Collective Investment Schemes Control 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 your sell or switch instruction. The Administrator will then resubmit your instruction the following business day for trade at the price of that day.
- 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.
3. You hereby indemnify the Administrator from any direct and indirect loss or damages that you may suffer due to ring-fencing.

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 of 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.
2. 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. Personal share 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 PSP the following provisions shall apply:
 - Only lump sum investments that meet the relevant minimum amounts will be accepted. Relevant minimums are disclosed in the PSP factsheets available on the website.
 - A PSP is not a collective investment scheme.
 - Where an investor selects a PSP, the investor will hold a portfolio of listed securities and instruments which may include shares, property, bonds and money market instruments.
 - In the case of a segregated PSP, the portfolio manager shall be solely responsible for selecting securities and instruments which are to be included in the portfolio based on the portfolio's mandate and objectives. The management of a portfolio will be governed by a discretionary portfolio management investment mandate.
 - In the case of a bespoke PSP, the investor and/or his/her FSP shall be solely responsible for selecting securities and instruments which are to be included in the portfolio. In the event that the composition of a relevant PSP is changed, the investor hereby authorises the Administrator to accept instructions from the portfolio manager. The investor may at any time switch out of the PSP by written notice to the Administrator.
2. A minimum of 2% of your investment into a PSP will be allocated to the Ashburton Money Market Fund - Fee Account from which the Administrator will deduct the annual administration fee and advice fee which is disclosed in the application form. The Administrator will switch funds from the investor's PSP on a semi-annual basis to provide for the annual fee requirements.
3. An initial allocation equal to the value of at least six month's expected income will be made to the Ashburton Money Market Fund - Fee Account from where it can be paid. The Administrator will switch funds from the investor's PSP on a semi-annual basis to provide for the income requirements irrespective of the income frequency selected.
4. In the event that there are insufficient funds in the Ashburton Money Market Fund -Fee Account to pay annual fees or to meet income requirements, the Administrator will redeem units proportionately from other assets in your investment before instructing a redemption against the PSP.
5. In the event of a partial switch from a PSP, and the remaining balance falls below the minimum required for the relevant PSP, the Administrator may request that you switch the remaining balance as well. Failure to do so may result in the Administrator switching the remaining balance to the Ashburton Money Market - Fee Account.
6. The Administrator will request the portfolio manager to pay any securities transfer tax on your behalf from the PSP.
7. The portfolio manager may act upon instructions from the investor, the Insurer and/or the Administrator for bespoke PSP's.
8. The portfolio management fee, which is determined by the portfolio manager, is recovered from the PSP.
9. Detailed statements will be available from the portfolio manager. Such PSP statements may exclude the annual administration fee, annual advice fee and tax that has not been collected from the PSP.

J. Phase-In

1. If the investor requests to phase-in all or part of his 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.
- If the instruction to phase-in is received by the 20th of the month, the first phase-in will take place on the first business day of the next month.
- 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.

K. Ashburton money market fund - Fee account

1. You may allocate a portion of your 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 you do not select a preferred fee account, the Administrator will: if there is insufficient balance in that unit trust the Administrator will deduct fees proportionately from the remaining unit trusts with balances.
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 your contract.

L. Annuity income payments

1. You may select to have your annuity income paid monthly, quarterly, half-yearly or annually. Income payments are made in advance.
2. Your annuity income may be paid by: a) disinvesting proportionately from your fund selection or b) disinvesting from your nominated fund(s).
3. In the event of the nominated fund(s) being depleted, your annuity income will be paid by disinvesting proportionately from your remaining portfolio.

M. 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 your choice of unit trusts and their associated class will determine certain aspects of the fee structure as outlined in the fee quotation.
3. Where applicable, these fees and charges are levied proportionately across the entire portfolio in the contract. You may choose to have your annual administration and annual advisor fees deducted from your 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 before deducting the fees from the PSP (if applicable).
4. An underwriting fee of five (5) basis points per annum, charged by the insurer, is included in the platform administration fee.
5. The types of fees that may be deducted from your contract on an initial and annual basis are:
 - administration fees;
 - model portfolio fees (if applicable);
 - PSP 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 your 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 Ashburton range of funds available through the Administrator, no platform administration fees shall be charged. Platform administration fees are only levied on non-Ashburton funds offered 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 will be from the 16th of the month (accrual begin date) until the 15th of the next month (accrual end date). The fee accrual period may change from month to month where the accrual start date and the accrual end date may change. 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 your 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. If the manager of your chosen unit trust charges an exit fee, the proceeds of the sale of any units will be reduced by the exit fee.
15. Rebates received from the manager will be used to offset the platform administration fee.
16. Rebates in excess of the platform administration fee will be retained by the Administrator.
17. The Administrator aggregates your total investments on the platform across all products 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.

N. 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 his financial advisor in respect of the availability and suitability of the inclusion of any particular funds in his 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.

O. Complaints

1. You are entitled to contact the Administrator to complain if you are not satisfied with the administration of your Ashburton Living Annuity or services provided by contacting the Client Services Team. The Administrator will follow the complaints resolution process when investigating your complaint. A copy of the process is available on the website.
2. 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

Ashburton Client Services Team

Telephone number: 0860 274 287

E-mail Address: query@ashburtoninvest.co.za

Ashburton compliance department

E-mail address: complaints@ashburtoninvestments.co.za

Postal address: PO Box 653780, Benmore, 2010

Ombud for FAIS

Telephone number: +27 (0) 12 470 9080

Facsimile number: +27 (0) 12 648 3447

E-mail address: 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

Postal address: Private Bag X45, Claremont, 7735