



ITRANSACT LIVING ANNUITY POLICY TERMS AND CONDITIONS

Underwritten by Guardrisk Life Limited FSP 76 reg 1999/013922/06

This document contains the terms and conditions applicable to your investment and sets out the rights and responsibilities of the parties involved.

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1 Definitions

Annuity Income

The income, before income tax is deducted, that is payable to the Policyholder on a regular basis under the Policy. The Annuity Income is generated by selling units from the Policyholder's Investment Account, either proportionately from all the selected Investment Products or only from a specific Investment Product.

Anniversary Date

This is the anniversary of the date on which the Policy originally began. If the Policy resulted from a transfer, the anniversary date will be the same as before the transfer.

Itransact – “the Administrator”

Automated Outsourcing Services (Pty) Limited (with company registration number: 1997/013802/07) trading as Itransact, is the company that is a licensed administrative FSP in terms of the Financial Advisory and Intermediary Services Act. They have been appointed by the Insurer as a Binder Holder to issue and administer the Policy on their behalf.

Beneficiary

This is a natural person nominated at any time by the Policyholder whilst the Policy is in force to receive the Policy benefits payable under the Policy on the death of the Policyholder.

Business Day

This is any day apart from a Saturday, Sunday or official South African Public holiday. In this document day and business day have the same meaning, except where the clause specifically states “calendar” days.

Financial advisor – “FSP”

This is the person or entity that you appoint to give you advice or provide you with intermediary services and that is duly licensed and/or authorised as a financial services provider in terms of FAIS to render financial services in respect of the Policy.

Investment Amount

The once-off lump sum amount paid on behalf of the Policyholder from an approved retirement fund or from another living annuity policy as agreed with the Insurer from time to time which must be equal to or more than the minimum amount specified in the Product media, and that the amount must be received and cleared in the Administrators Nominee bank account before 11am for processing on a business day.

Investment Product

This is the underlying investment portfolio selected by you on the application form into which your Investment Amount is invested in terms of the Policy, the details of which are reflected more fully in the Policy Summary and the Product Media.

Investment Product Media

These are documents, such as brochures, fact sheets, terms and conditions, produced in relation to the Investment Product which describes the features of, and the terms and conditions of the product in more detail.

Investor Account

This is the account opened by the Administrator for you that reflects the investments underlying the Policy from time to time.

The Insurer owns all the underlying investments of the Policy and you have the right to receive Annuity Income as set out herein.

Investors Independent Custodian (Pty) Limited “the Nominee”

Investors Independent Custodian (Pty) Limited is the company that has been approved as a nominee company by the Financial Services Board and that holds the assets in trust.

Issuer

This is the entity that makes the Investment Product available as more fully described in the Investment Product Media.

Policy

The Policy is a long-term insurance policy underwritten by the Insurer in terms of which Annuity Income is provided to you in accordance with the terms and conditions set out herein. The Policy is a ‘life policy’ as defined in section 1 of the Long-Term Insurance Act 52 of 1998.

Policyholder – “the Investor or you”

This is the individual in whose name the Policy is issued. You are entitled to receive the Annuity Income from the Insurer on a periodic basis. In this document “you” includes reference to persons acting for you such as a curator.

Guardrisk Life Limited – “the Insurer”

Guardrisk Life Limited (with company registration number: 1999/013922/06) is the company that is registered as an insurer under the Long-term Insurance Act and that undertakes to provide Annuity Income to the Policyholder as set out herein.

Signature

Means the Investors personal hand written signature and/or an online mechanism that performs the legal equivalent of a hand written signature, such as one or a series of online acceptances via a click or the receipt and submission of a One Time Password (OTP)

2 Documents that form the basis of the Policy

Your Policy with the Insurer is based on:

- Your investment application form, as accepted by the Administrator
- Your supporting documents
- Your Policy Summary
- This Policy document
- The Investment Product Media
- Any later instructions from you that has been accepted by the Administrator
- Any later amendment to the Policy terms and conditions.

3 Laws that apply to the Policy

The Policy is subject to all the relevant laws of South Africa. Please note that changes to or replacements of any applicable law may change the terms and conditions of the Policy. The most important laws that apply to this Policy are:

- **The Long-term Insurance Act – “LTIA”**
This act controls the administration of insurers and policy benefits provided by them.
- **Financial Intelligence Centre Act – “FICA”**
This Act requires that the Administrator establish and verify your identity before accepting your investment application to prevent money laundering and terrorist financing.
There are also legal obligations that apply to investment in the Policy in terms of the Prevention of Organised Crime Act (“POCA”) and the Prevention of Constitutional Democracy against Terrorism and Related Activities Act (“POCDATARA”).

- **Financial Advisory and Intermediary Services Act – “FAIS”**
This Act controls the activities of anybody who gives advice or provides intermediary services to investors about certain financial products. It requires that such persons be licensed and that professional behaviour be controlled through codes of conduct.
- **Income Tax Act**
This Act deals with taxation of income, including dividends and capital gains.

4 How the Policy works

The Insurer has entered into a Binder agreement with the Administrator in terms of section 49 of the LTIA to act as the Binder Holder'. As the Binder Holder, the Administrator issues and administers the Policy on behalf of the Insurer.

You can invest in the Policy on retirement from an approved retirement fund, or transfer from an existing living annuity policy with another insurer to the Policy. Through the Policy you are offered the opportunity to invest in the Investment Product made available by the Issuer as set out in the Investment Product Media. The choice of the Investment Product underlying the Policy is always yours, or where relevant, that of your discretionary FSP. The Insurer may at any time restrict or enhance the range of Investment Products available to you to choose from.

The Policy begins on the day set out in your Policy summary. It is when the Administrator has accepted your completed and duly signed application form, together with your supporting documents and the Investment Amount is invested via the Nominee's bank account into the Investment Product.

The Investor Account will reflect your investment. All the investments in the Investor Account are held in trust by the Nominee and are owned by the Insurer.

The value of your Investor Account is directly linked to the value of the Investment Product selected by you. As the value realisable under the Investment Product rises, the value of your Investor Account will rise. Similarly, as the value realisable under the Investment Product you selected decreases, so will the value of your Investor Account. It will also decrease as a result of Annuity Income payments and as a result of the fees and charges you pay.

You are obliged to draw an Annuity Income benefit from the Policy. At inception of the Policy, and on every Anniversary Date thereafter, you must select the Annuity Income required, as well as the frequency at which it must be paid.

The amount of the Annuity Income payable under the Policy is not guaranteed by the Insurer, the Issuer or the Administrator. However, the Investment Product may in certain instances provide different levels of capital protection. Please read the Investment Product Brochure carefully in this regard.

The Policy has no fixed termination date. The Policy will end when the total amount available under the Policy is withdrawn, or when the Policyholder dies.

5 Your rights and responsibilities

5.1 Read the information about the Policy and Investment Product carefully

Please read the application form, the Policy Summary, the Investment Product Brochure(s) and this document before making your investment. You are responsible for your investment decisions and must carefully consider whether this investment is right for your needs.

Consider the consequences of investing in the Policy from a financial, legal, tax, accounting and regulatory perspective; all the fees and charges payable, and make sure that you understand the risk and returns on your investment. Every investment has some degree of risk and it is possible to lose some or all of your money, especially when you withdraw early from the Policy.

5.2 Obtain independent, professional advice

The Insurer and the Administrator cannot give you any advice. If you need financial, legal or tax advice or assistance in respect of investing in the Policy, it is your responsibility to consult with a professional investment, financial, legal and/or tax advisor.

Appoint a FSP (Where applicable)

Where you have appointed a FSP (financial adviser) to act on your behalf when dealing with the Administrator regarding the Policy, you must complete the relevant section on the application form. The Administrator will pay the fee as agreed and reflected in the Policy summary to the FSP.

You must check with the FSP that he/she is authorised to give you financial advice on this investment based on his/her FAIS licence(s) read with the conditions or restrictions applicable to his/her FAIS licence(s). As a minimum requirement, the FSP must have a Category 1 license for the products he/she declared to you on the application form.

The FSP you appoint is not an employee or agent of the Administrator or the Insurer but acts independently from them. If you elect to deal with the Administrator through the FSP, and his/her details appear on the application form, it will be assumed that all future dealings will also, until the Administrator is advised otherwise, take place through that FSP.

Change your FSP

You may appoint a new FSP that the Administrator has authorised to market its products at any time by informing the Administrator in writing. You must specify the fees that you agree with your new FSP. The Administrator will cancel the existing appointment, record the appointment of the new FSP and confirm the change with you, your current and new FSP. The Administrator will thereafter pay any agreed fees to the newly appointed FSP unless you advise them otherwise.

5.3 Confirm you understand the implications of replacing an existing financial product with the Policy

You must confirm to the Insurer via the Administrator on a "Replacement Policy Advice Record" that you understand the consequences of replacing an existing financial product with the Policy. Therefore, if this Policy is a replacement (in whole or in part) of another existing financial product you own, please ensure you understand the actual and possible implications and costs involved.

5.4 Send instructions to the Administrator

The Administrator receives and accepts your instructions on behalf of the Insurer. All your instructions to the Administrator must be completed on their latest forms that are available via the website or from your FSP.

You or your duly mandated FSP must send instructions by e-mail to the numbers provided on the instruction form. The sender of the e-mail must ensure that the completed forms have actually been received by the Administrator. The sender can contact the Administrator telephonically at the telephone numbers specified at the end of the application form, or on the Administrator's website, www.itransact.co.za

5.5 Provide complete and accurate information

You must complete and sign the application form and ensure that all of the information, including any supporting documentation, is accurate, clear and complete.

5.6 Choose the underlying Investment Product for the Policy

The Insurer permits you to select the underlying Investment. The Insurer may restrict or enhance the available options at any time, or suspend further investments into an Investment Product, and the Administrator or your FSP will contact you if this happens.

5.7 Comply with FICA and keep details and supporting documents updated

You must comply with certain requirements under FICA before the Administrator will process your application form or subsequent instructions. You must provide your FSP, and if specifically so required, the Administrator with certain information of a personal and financial nature required for purposes of identification and verification. Please refer to Section 6 below in this regard.

You warrant that the money which you are investing in the Policy is not the proceeds of unlawful activities or related to terrorist financing activities and understand that the Administrator or FSP may request proof from you regarding the source of these funds at any time.

You must update your personal and banking details should these change and provide the FSP and/or the Administrator with new supporting documentation. All supporting documents must be clear and readable, less than 3 (three) months old and copies must be correctly certified.

5.8 Adhere to Administrator timelines

All documentation required by the Administrator in respect of the investment under the Policy must be delivered to the Administrator in accordance with the timelines set out in Section 8 of this document. If you and/or your FSP fail to adhere to the timelines, the Administrator will deem your investment instruction as cancelled and will repay the Investment Amount less any costs incurred by the Administrator.

5.9 Payment of the Investment Amount

The Investment Amount must be a lump sum received from another retirement fund or the proceeds from another living annuity policy. The Administrator does not accept cash payments. The Investment Amount must be paid on your behalf into the Nominee's bank account in South African Rand, by way of electronic transfer or bank deposit.

5.10 Read statements and report errors

The Administrator will make periodic statements and investment information available to you on a continuous basis via its online service portal for which you need to register. You and/or your FSP may request a statement in writing, via email or telephone at any time. If you find any errors, you have 30 (thirty) days to tell the Administrator. Therefore please read all documents you receive in respect of the Policy promptly and carefully.

5.11 Select the Annuity Income and payment frequency

You may select the Annuity Income required, as well as the frequency at which it must be paid.

The selected Annuity Income must always fall within limits set out in legislation. The current limits are a minimum of 2.5% and a maximum of 17.5% per year of the value of the Investor Account. If the regulatory authorities and/or legislation changes the annuity percentage limits, the new limits will apply. You can select either a Rand amount or a percentage.

If a percentage is selected, it is applied to the Investment Amount (less all initial charges) to calculate the Rand amount of income payable for that year. The Annuity Income paid will remain constant throughout the year, notwithstanding fluctuations in the value of the Policy. However, the actual amount paid to you may increase as a result of additional contributions into the Policy. In the following year, the Annuity Income percentage will not change unless it is amended, although the actual amount paid to you may increase or decrease as a result of market value movements.

You may request to receive the Annuity Income monthly at the end of every month, or in advance on a quarterly, biannual or annual basis.

If the Policy resulted from a transfer from another living annuity policy, the Annuity Income must remain the same until the first Anniversary Date of this Policy.

The Annuity Income may differ from year to year and the amount is not guaranteed. The amount or percentage of Annuity Income drawn can only be increased or decreased once a year by notifying the Administrator within 60 days of the Policy Anniversary Date.

5.12 Switching out of the Investment Product

You can switch between underlying Investment Products allowed by the Insurer at any time by informing the Administrator in writing.

5.13 Decide what happens to the Policy after your death

You may nominate Beneficiaries to receive the Policy benefits on your death. If more than one Beneficiary is nominated, each will benefit equally unless the Policyholder otherwise stipulates in writing. Every written Beneficiary nomination received before the death of the Policyholder shall revoke any prior nominations.

It is important to keep your nominations up to date. To change your nomination you must complete and sign a Beneficiary Nomination form. This form must be received by the Administrator while you are still alive.

The Administrator should be notified as soon as possible of the death of the Policyholder and should be provided with a certified copy of the death certificate.

5.14 Withdraw from or transfer the Policy

You may request to withdraw the full market value available under the Policy and have it paid as a lump sum, if the value is less than an amount set out in legislation. The Insurer and/or Administrator may also request that the Policyholder does this. The Policy will terminate when this happens.

You may also request to transfer the Policy to another insurer, subject to the requirements of the Insurer, the regulatory authorities and the insurer you wish to transfer to. Another compulsory annuity policy will be purchased in your name from the other insurer and this Policy will terminate.

6 The FSP's role and responsibilities

6.1 Maintain the relevant FAIS license

The FSP appointed by you must be licensed and authorised by the Financial Services Board in terms of FAIS to provide the advice and financial services in respect of the Policy in terms of his/her FAIS license, read with the conditions or restrictions applicable to his/her FAIS license. The FSP must maintain this license on an ongoing basis and must immediately inform the Administrator should his/her license be suspended or revoked for any reason.

6.2 Act in accordance with your mandate

The FSP must act with honesty and integrity and in accordance with the mandate in terms of which you appointed him/her in all its dealings on your behalf with the Insurer and the Administrator. The FSP must provide the Administrator with a copy of such mandate promptly on request, or together with the initial application form if he/she has entered into a discretionary mandate with you.

6.3 Provide financial advice and information on the Policy and Investment Product

The FSP gives you advice on whether the Policy is suitable for your needs and meets your investment objectives. He/she must understand and provide you with sufficient particulars relating to the Policy, the Investment Product and any other related financial services and documents, for you to make an informed investment decision. He/she must specifically fully and adequately explain the information contained in the Investment Product Brochure, and the fees and charges applicable under the Policy.

The FSP must also explain the potential or actual consequences of replacing an existing financial product with the Policy, especially the costs involved.

6.4 Client identification and screening

The FSP must satisfy himself/herself of the identity of the Investor and of the status of the Investor as sanctioned or non-sanctioned person or entity in terms of anti-money laundering legislation and any United Nations sanctions lists before entering into a business relationship with the Investor, or before concluding any transaction with the Administrator or with the Insurer for and on behalf of the Investor.

The FSP must explain the relevant FICA and other anti-money laundering requirements to the Investor and must also explain what the consequences will be if the Investor does not provide the Administrator and the Insurer with the required documents. Neither the Administrator nor the Insurer shall be liable or responsible for any damages or loss as a result of any delay in the processing of the application form as a result of non-compliance with the requirements in terms of FICA, POCA, POCDATARA and the United Nation's sanctions lists.

6.5 Receive statements and correspondence

Unless otherwise instructed by you, and where relevant, the Administrator will send and/or transmit all statements, reports or other relevant correspondence or documents in respect of the Policy, including this Policy document, to you and the FSP.

7 The Insurer's rights and responsibilities

7.1 Provide Annuity Income

The Insurer must provide you with Annuity Income in South African Rand which will be paid by the Administrator by electronic fund transfer only, into a current, transmission or savings account in the name of the person entitled to the Annuity Income. No payments will be made to third party bank accounts.

7.2 Suspend investment into the Investment Product under the Policy

The Insurer may suspend investment into the Investment Product under the Policy at any time and will give written notice to this effect to the Administrator and the FSP.

7.3 Change the terms of the Policy

The Insurer may make changes to the terms of the Policy but may not reduce the rights and benefits you have under the Policy unless the amendment is due to changes in taxation, legislation or practise or interpretation by any court, regulatory authority or the Insurer. Any such changes will be communicated to you and your FSP in writing.

8 The Administrator's rights and responsibilities

8.1 Make the Policy available and deal with investors

The Administrator has been appointed as a binder holder by the Insurer to make the Policy available to investors through its administrative platform. The Administrator is also authorised to administer the Policy and to pay all Policy benefits due under the Policy, and in doing so, to deal with investors on behalf of the Insurer.

8.2 Communicate with you and/or your FSP

The Administrator will communicate with you on behalf of the Insurer. On your instruction, the FSP may receive all communications on your behalf, or may be copied on these communications. The Administrator will:

- Provide you and the FSP with this Policy document, the Policy Summary and all information about the Investor Account;
- Advise you and/or the FSP that the application form and the relevant supporting documents have been received, and if delivery or submission of any outstanding or additional documents under FICA is required;
- Provide you and the FSP with a minimum of 3 (three) month's notice of a variation in the fees and charges payable;
- Provide you and the FSP with reasonable notice about changes made to the Policy by the Insurer or in respect of the availability of the Investment Product;
- Provide quarterly statements to you and the FSP;
- Provide statements to you or your FSP on request.

8.3 Process your instructions

The Administrator will process all instructions in respect of the Policy. The Administrator may on behalf of the Insurer accept, delay or deem as cancelled your instructions, based on business requirements and administrative processes, the minimum Investment Amount required, timing standards, and the relevant legislation at the date of your instruction.

You consent that the Administrator may implement all instructions received by email and online methods only which appear to come from you or your FSP, provided the Administrator exercised reasonable care to establish the identity of the issuer of the instructions.

The Administrator will identify the Investment Amount deposited by you by reference to the instruction sent to the Administrator for purposes of investment in the Policy. If the Administrator cannot identify you via the means of payment, the Administrator will request an alternative, acceptable means of identification and/or verification from you or the FSP.

Processing timelines:

New Application

Processed within two business days after the Administrator has received a correctly completed application form or additional investment application form (for a new policy by existing Investor) and your Investment Amount is reflected in the Administrators inflow account before 11h00. Please note additional information disclosed in "Pay income" below

Transfers from certain entities will be accepted for investing in the Product

Retirement annuity fund

Preservation fund

Pension Fund

Another living annuity

Pay Income

If your application for participation in the Itransact Living Annuity has been successful and your investment amount reflects in the products inflow bank account on or before the 5th working day of a month, your income will be paid on the 25th of the same month. (Except for December where income payments will be made on the 15th. Investment amounts received after the 5th working day will result in your income being paid in the following month. We recommend that you plan to accommodate these outcomes before you make an investment with Itransact.

Switches between Portfolios

A switch between a Portfolio will involve sales and purchases in the market. Any instruction received by the Administrator to switch between Portfolios, before 11h00 on a Business Day will be processed within two business days. The Investor will receive the sale and purchase prices applicable on the day of processing.

Withdraw

Processed within two business days if the Administrator has received correctly completed, withdrawal instruction before 11h00. Payment of the proceeds will be made within 7 business days into the investors bank account on record.

Transfer

Transfers are subject to the timing standards of both the old and new Administrators.

8.4 Deduct and pay fees and charges

The Administrator will collect and distribute the investment and/or transaction charges and fees payable under the Policy.

8.5 Pay bank interest

Interest earned in the bank account of the Nominee Company in respect of the Investment Amount(s) shall be payable by the Administrator to you only when all required completed and signed documents have actually been received by the Administrator prior to the stipulated cut-off date and time, and the investment instructions have been processed within the turnaround time as stipulated on the application form. The interest payable will be capitalised and added to your initial Investment Amount for investment in the Investment Product.

8.6 Make Annuity Income payments

The Administrator will make Annuity Income payments on behalf of the Insurer. No third party payments will be made.

8.7 Amend Annuity Income

To preserve your capital, the Administrator may amend your Annuity Income level if required by legislation or the requirements of regulatory authorities, or if you failed to request a change to your Annuity Income percentage on the Anniversary Date. Your Investor Account may also be reduced in order to maintain your selected income level.

8.8 Deduct and pay tax

The Administrator must deduct income tax from the Annuity Income in accordance with tables set out in the Income Tax Act before making any payment to the Policyholder.

The Policyholder may provide the Administrator with a directive from the South African Revenue Service (SARS) to apply a lower tax rate, and in such instances income tax will be deducted accordingly. The Policyholder may also request that a higher tax rate be applied. If no such directive or instruction is provided, the Administrator will assume that the Annuity Income is the Policyholder's only source of income in order to calculate the tax payable. The tax deducted is paid over to SARS.

Income tax may be incurred and recovered when the Policyholder fully withdraws the value of the Policy or on the Policyholder's death if the beneficiary selects to take a cash lump sum.

The Administrator will produce income tax certificates for taxation purposes and will pass the certificates on to the Policyholder each year.

8.9 Insurance cover

The Administrator maintains professional indemnity and fidelity insurance cover. This means you are protected against fraud, negligence, and dishonest conduct by the Administrator.

9 Fees and charges

All the fees and charges payable under the Policy are set out in the application form. The fees and charges must be explained to you by your FSP where applicable. With your signature to the application form, you acknowledge, declare and confirm that you understand what fees and charges are payable.

All fees and charges are subject to change, and the Administrator will give you and/or your FSP 3 (three) month's written notice of such change.

Where Value added Tax (VAT) is levied on fees or charges charged to the Insurer, an amount to compensate for VAT will be added to those fees and charges recovered from the Policy. VAT may also be added to fees and charges that are not charged to the Insurer directly.

10 Exclusions, Risks and Responsibility

10.1 Advice

The Administrator and Insurer do not give advice as to whether investment in the Policy or participation in the Investment Product under the Policy is suitable for the Investor and can therefore not be held liable for any loss or damage which you may suffer, except as a result of the Administrator's own default or negligence.

No communication of any nature received from the Administrator in respect of the Policy or the Investment Product can be regarded as tax, legal, accounting or financial advice. You are responsible for obtaining your own professional advice about the consequences of investment in the Policy and/or the Investment Product.

10.2 Market risk

The Investment Product is exposed to market risk. The market price of shares and the levels and values of share indices will fluctuate according to market conditions, general sentiment and other factors. The price at which shares trade on the JSE Limited and the levels and values of shares indices and the income derived from shares (if applicable) and the value of investments linked to shares indices may go up or down and the Investor has no guarantee in respect of the Annuity Income, unless the Investment Product under the Policy has a feature in terms whereof the Investment Product is protected.

10.3 Annuity Income draw down rate

(Note that the table below is a guide only. Prescribed draw down rates may be altered as a consequence of regulation and/or social circumstances).

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 & after all fees)						
Annual Income Rate selected at Inception		2.50%	5.00%	7.50%	10.00%	12.50%
	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

The table above is a guideline only as issued by the Association of Savings and Investments South Africa – ASISA). The most accurate way of determining the effect of fees and costs are to obtain your personal Effective Annual Cost from the Administrator (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 and compared these against conventional annuities (where the insurer carries the full investment risk and the risk of you living longer than expected). 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.

10.4 Investment limits

You may choose between discretionary and prudential assets to underlie your living annuity.

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 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, (you can invest in discretionary or prudentially managed assets) 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
- 30% to offshore investments
- 25% to property investments
- 15% to hedge funds, private equity funds and any other asset not specifically mentioned aggregated together

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.

10.5 Cooling-off period

A cooling-off period is a number of days after investment into a financial product during which you are still entitled to terminate the investment. No cooling-off period is offered under this Policy. You may only request to transfer the Policy to another insurer who is willing to accept the Policy proceeds.

10.6 Ceding the Policy

The Policy may not be transferred or sold, and cannot be pledged to someone else as payment or as security.

10.7 Losses suffered during administration of the Policy

You are responsible for losses suffered as a result of:

- Delays in the processing or the rejection of your investment application for reasons beyond the Administrator's control.
Included but not limited are:
 - If your FSP does not have a FAIS license or acts beyond the scope of the FAIS license;
 - If your FSP is not authorised to market the Administrator's products;
 - If you or your FSP on your behalf submits unauthorised instructions;
 - If you or your FSP provides us with incorrect information;
 - If a third party does anything illegal or invalid or does not do something they should have done;
 - If you or your FSP fail to comply with FICA;
 - If the Administrator cannot verify your bank account details;
 - Any legal requirements, Investment Product limits, timing standards, administrative practices and procedures that apply to the Policy and Investment Product.
- If you are married in community of property, failure to get your spouses' permission.
- Your FSP does not provide you with correspondence sent to them, or if any correspondence is lost in the mail.
- A person acting for you acting beyond the scope of their authority.
- Changes in tax or other laws that affect the Policy and/or Investment Product.
- The failure or delay of any networks, electronic or mechanical devices, or any other form of communication used to process instructions.
- Your FSP being in possession of or using information that you deem confidential.
- Electronic transacting, whether via telephone, other electronic means or by fax.

10.8 Life cover and Policy loans

There is no life cover under the Policy and you cannot obtain a loan from the Insurer via the Policy. You are responsible for obtaining life cover under a separate policy should you require it.

11. Use of your personal information

Any personal information may be used by the Insurer or the Administrator in the normal course of business to provide the products and services and they may retain any information for purposes of investment transactions, processing and administration and to communicate directly with the Policyholder. Personal information will not be given or sold to any third parties, unless agreed to by the Policyholder. The Insurer and the Administrator will disclose or report personal information if and when required to do so by law or any regulatory authority, and to its employees (if relevant), or agents who require such information to carry out their duties.

12. Important disclosures under FAIS

12.1 Administrator Contact Details

Investor Support Centre

Telephone	086 146 8383
Fax	086 743 6959
Email	investor@itransact.co.za
Website	www.itransact.co.za
Physical address	15 Phillips Street, Ferndale Randburg 2194
Postal address	PO Box 4769, Randburg 2125

12.2 Insurer Details

Gaurdrisk Life Limited	
Registration Number:	1999/013922/06
FSP Number:	76
Telephone	011 669 1000
Email	info@gaurdrisk.co.za
Website	www.gaurdrisk.co.za
Physical address	The Marc, Tower 2, 129 Rivonia Road, Sandton
Postal address	PO Box 786015 Sandton, 2146

12.3 Other important information

Registered Name	Automated Outsourcing Services (Pty) Ltd
Trading Name	Itransact
Registration Number	1997/013802/07
FSP License Number	650
Compliance Officer	Moonstone Compliance (Pty) Ltd
Compliance Officer	compliance@itransact.co.za 011 5616600
Key Individuals	Mark Baisley, Mark Gill
Professional Indemnity and fidelity cover	Hollard
Products Approved	Category I Intermediary Services

Long-term Insurance Category C; Retail pension benefits; Securities and Instruments: Shares, Money market instruments, Debentures and securitised debt, Bonds; Derivative Instruments; Participatory interests in Collective Investment Schemes; Deposits defined in the Banks Act – exceeding 12 months and 12 months or less.

Category III Administrative FSP

Long-term Insurance Category C; Retail pension benefits; Securities and Instruments: Shares, Money market instruments, Debentures and securitised debt, Bonds; Derivative Instruments; Participatory interests in Collective Investment Schemes; Long-term Deposits and Short-term Deposits.

Long Term Category C

Complaints resolution system and Conflict of Interest Management Policy

The Administrator is committed to comply with FAIS since the purpose of this act is to protect the Investor. A complaints resolution system is in place, details of which you may obtain at the contact details above upon request.

You have the right to contact the Ombudsman for Long-Term Insurance should a complaint, after having been through the channels indicated above, require mediation. Please write to the Ombud at Private Bag X45, Claremont, 7735 or email info@ombud.co.za or call on (021) 657 5000 or 0860 103 236.

A Conflict of Interest Management Policy has also been adopted. If you have any queries in this regard, please do not hesitate to send a fax to 086 743 6959 or email to info@itransact.co.za