

**How to Invest**

1. Before investing, please read the Terms and Conditions of the Policy (attached hereto), as well as the Investment Option Brochure, carefully.
2. Please complete all relevant sections of this form, and send pages 1-4 together with the required documents to the Administrator at [prescient@thecycle.co.za](mailto:prescient@thecycle.co.za) or fax to 086 605 3877.
3. Cut off times for receiving instructions are 13:00 (SA). If an instruction is received after 13H00 the instruction will be processed the following business day.
4. The following supporting documentation must be submitted with this application:

<input type="checkbox"/>	FICA documentation	<input type="checkbox"/>	Recognition of Transfer stamped and signed by transferring Fund, if applicable.
<input type="checkbox"/>	Proof of banking details	<input type="checkbox"/>	For PSP portfolios: signed discretionary investment mandate with chosen discretionary FSP.

**Details**

New Investor  Existing Investor  Client Policy Number

**Investor**

Title \_\_\_\_\_ Surname \_\_\_\_\_  
 First Name(s) \_\_\_\_\_ Male \_\_\_\_\_ Female \_\_\_\_\_  
 Date of Birth \_\_\_\_\_ Nationality \_\_\_\_\_  
 Identity Number or Passport (if no RSA ID) \_\_\_\_\_  
 Income Tax Number \_\_\_\_\_ Country of Residence \_\_\_\_\_  
 Physical Address \_\_\_\_\_  
 \_\_\_\_\_ Post Code \_\_\_\_\_  
 Postal Address \_\_\_\_\_ Post Code \_\_\_\_\_  
 Telephone (H) \_\_\_\_\_ Telephone (W) \_\_\_\_\_  
 Cell \_\_\_\_\_ Fax \_\_\_\_\_  
 Email Address \_\_\_\_\_

Marital Status: Single  Ante-Nuptial Contract  In Community of Property   
 Please specify your preferred method of receiving correspondence: E-mail  Postal Address  Copy sent to Financial Advisor

*Where no selection is made correspondence will be sent to the e-mail address supplied above. If no email address is supplied, correspondence will be sent via post.*

**Acting on behalf of Investor \***

\* This is for Guardians/ persons with Powers of Attorney Capacity \_\_\_\_\_  
 Title \_\_\_\_\_ Surname \_\_\_\_\_  
 First Name(s) \_\_\_\_\_ Male \_\_\_\_\_ Female \_\_\_\_\_  
 Date of Birth \_\_\_\_\_ Nationality \_\_\_\_\_  
 Identity Number or Passport (if no RSA ID) \_\_\_\_\_ Income Tax Number \_\_\_\_\_  
 Physical Address \_\_\_\_\_  
 \_\_\_\_\_ Post Code \_\_\_\_\_  
 Postal Address \_\_\_\_\_ Post Code \_\_\_\_\_  
 Telephone (H) \_\_\_\_\_ Telephone (W) \_\_\_\_\_  
 Cell \_\_\_\_\_ Fax \_\_\_\_\_  
 Email Address \_\_\_\_\_

## Financial Advisor Details (if applicable)

Name of Financial Advisor \_\_\_\_\_

Name of Financial Services Provider (FSP) \_\_\_\_\_ FSP License Number \_\_\_\_\_

Contact Tel No \_\_\_\_\_ Email \_\_\_\_\_

Prescient's Financial Services Provider code (to be obtained from the administrator)

Licence Category: Category I  Category II  Category IIA

VAT vendor status: Registered  Not Registered  VAT Number \_\_\_\_\_

I, the appointed Financial Advisor for this investment application declare that:

1. I am licensed to render services in respect of this product.
2. I have made the disclosures required in terms of the Financial Advisory and Intermediary Services Act 37 of 2002 (FAIS) and subordinate legislation thereto, to the investor/s.
3. I have fully explained the meaning and implications of replacement (if applicable) to the investor/s and that I am fully aware of the possible detrimental consequences of replacement.
4. I have established and verified the identity of the investor/s and persons acting on behalf of the investor in accordance with the Financial Intelligence Centre Act 38 of 2001 (FICA) and the regulations thereto. I will keep records of such identification and verification according to the provisions of FICA.
5. I have explained all fees that relate to this investment to the investor/s and I understand and accept that the investor/s may withdraw his / her authority for payment to me in writing and inform Prescient.
6. My personal information may be used by Prescient in the normal course of business to provide the products and services and Prescient may retain any information for purposes of investment transactions, processing and administration and to communicate directly with me. Personal information will not be given or sold to any third parties. Prescient will disclose or report personal information if and when required to do so by law or any regulatory authority, and to our employees, or agents who require such information to carry out their duties.

Signature of Financial Advisor \_\_\_\_\_ Date \_\_\_\_\_

I agree that the administrator of the fund may deduct and pay over to my Financial Advisor the following negotiated fees on this and all future transactions until otherwise specified:

Initial fee %  .  % Maximum 3.0% (excluding VAT) deducted prior to the investment being made. Where the annual fees are more than 0.5%, initial fees are capped at 1.5%. If it is agreed that no initial fee is payable, please insert 0%.

Annual Fee %  .  % Maximum 1.0% (excluding VAT) of the investment account. Where the initial fee is more than 1.5%, the maximum annual fee is 0.5%. If no annual fee is payable, please insert 0%.

Signed at \_\_\_\_\_ Date \_\_\_\_\_

Full Name of Signatory \_\_\_\_\_ Capacity \_\_\_\_\_

Signature of Investor/Legal Guardian/authorised representative\* (if applicable) \_\_\_\_\_

\* If signing on behalf of the investor please provide proof of authority and supporting verifying documentation

## Banking Details of Investor

Name of Account Holder \_\_\_\_\_

Name of the Bank \_\_\_\_\_

Branch Name \_\_\_\_\_ Branch Code \_\_\_\_\_

Account Number \_\_\_\_\_ Account Type \_\_\_\_\_

Signature of Account Holder \_\_\_\_\_

- The account holder must have a South African bank account.
- Payments will only be made to the bank account in the name of the registered investor.

## Method of payment

Transferring Fund  Pension Fund  Provident Fund  Retirement Annuity Fund  Transfer from another living annuity (Insurer)

Registered name of Transferring Fund / Insurer \_\_\_\_\_

Fund FSB Registration Number \_\_\_\_\_ OR Insurer Company Reg. Number \_\_\_\_\_

Contact Person \_\_\_\_\_ Telephone Number \_\_\_\_\_

## Bank Details for Deposit

Transfers to be made into the following bank account:

Account Name	Account Number	Bank	Branch	Branch Code
Prescient Living Annuity Policy	62542436622	FNB	Bedford Gardens	252155

## Investment Option Details

- Please indicate a Rand amount or a percentage in the table below.
- If you are investing into a Personal Share Portfolio (PSP), please insert the name of the PSP provider followed by the letters "PSP" and the relevant portfolio in the first column below. It is your responsibility to make sure that you meet the PSP provider's investment minimum requirements.

Investment Portfolio	Investment Amount	OR	Percentage
	R		%
	R		%
	R		%
	R		%
<b>TOTAL</b>	R		100.00%

## Special Fee Instructions

In the event that a special fee arrangement has been entered into, please indicate such arrangement below:

## Annuity Income Payment Details

This section does not apply to transfers from existing annuities in terms of Directive 135 issued by the FSB.

You are annually able to select your income to be a percentage of your capital or a Rand amount. You are also able to select the frequency of your income as well as from which investment portfolio you would like your income to be paid.

Income to be payable per annum (please enter a percentage or Rand amount):

Income Percentage	<input type="text"/>	%	OR	Rand Amount	<input type="text"/>	R
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Income frequency (please tick one):

Monthly in arrears	<input type="checkbox"/>	Quarterly in advance	<input type="checkbox"/>	Half-yearly in advance	<input type="checkbox"/>	Yearly in advance	<input type="checkbox"/>
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Do you want to specify an income tax rate? Yes  No  A tax directive is required if the tax rate specified is lower than that calculated from the income tax tables. The directive is valid for the period stated on it. The specified rate will be reviewed on an annual basis.

Investment Portfolio(s) from which to deduct income (please tick one):

Withdraw income proportionately from all portfolios	<input type="checkbox"/>	Withdraw from the investment portfolio(s) selected below	<input type="checkbox"/>
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Investment Portfolio	Amount	OR	Percentage
	R		%
	R		%
	R		%
	R		%
<b>TOTAL</b>	R		100.00%

- Your chosen income percentage in terms of current legislation must fall between 2.5% minimum and 17.5% maximum per annum of your capital value. Should your chosen income fall outside this range, the limits will be applied.
- The income percentage selected is applied to the original contribution amount less all initial charges to calculate the Rand amount of income payable.
- For monthly income your fully completed application form together with proof of deposit must reach our offices by the 15<sup>th</sup> of the month in order to receive an income payment in the same month.
- The Rand value of income paid will remain constant throughout the year, notwithstanding fluctuations in the value of your policy.
- The amount or percentage of income drawn can be increased only once a year at the anniversary date.
- The amount or percentage of income drawn can be decreased at any point. However, when you decrease your income, your policy anniversary date will reset and you will not be able to increase your income for another year.
- Unless a tax directive from SARS is attached, the minimum tax according to PAYE will be deducted on income payments.

## Beneficiary Nominations

- Nomination of a beneficiary will not be accepted if no ID number has been provided.
- If no beneficiary is nominated, the proceeds may be payable to your estate.
- Any benefits due on death will be dealt with according to any applicable laws governing the payment of such benefits.
- The beneficiary nominations contained in this application form supersede any other beneficiary nominations contained in the investor's will.
- If there are more than 4 (four) beneficiaries, please attach a signed copy of this section to the application form.
- The signature of the investor's spouse is required if the investor is married in community of property and nominates a beneficiary other than the investor's spouse.

I hereby agree to the nominations below.

Full name of Spouse: \_\_\_\_\_

Signature of Spouse: \_\_\_\_\_

### Beneficiary

Surname: \_\_\_\_\_

### Beneficiary

Surname: \_\_\_\_\_

First Names: \_\_\_\_\_

First Names: \_\_\_\_\_

ID No: \_\_\_\_\_

ID No: \_\_\_\_\_

Relationship: \_\_\_\_\_

Relationship: \_\_\_\_\_

Share %: \_\_\_\_\_

Share %: \_\_\_\_\_

### Beneficiary

Surname: \_\_\_\_\_

### Beneficiary

Surname: \_\_\_\_\_

First Names: \_\_\_\_\_

First Names: \_\_\_\_\_

ID No: \_\_\_\_\_

ID No: \_\_\_\_\_

Relationship: \_\_\_\_\_

Relationship: \_\_\_\_\_

Share %: \_\_\_\_\_

Share %: \_\_\_\_\_

## Authorisation and Declaration

1. I have read and fully understood all the pages of this application and agree to the Terms and Conditions of this investment into the Living Annuity Policy, and I understand that this application and any further documents read with the Policy document constitutes the entire agreement between Prescient and me.
2. I warrant that the information contained herein is true and correct and that where this application is signed in a representative capacity, I have the necessary authority to do so and that this transaction is within my power.
3. I declare that the origin of the Investment Amount is an approved retirement fund or another living annuity policy. I warrant that the rules of the transferring fund allow me to purchase an annuity in my own name and for my benefit and that the benefits offered in terms of this product coincide with the benefits in terms of my transferring fund.
4. I understand that I cannot withdraw from the Policy and I cannot apply for a loan or use my interest in the Policy as collateral security for a loan.
5. I authorise the Administrator to change my income level, if necessary, in order to meet the requirements of the relevant tax authorities.
6. I am aware of the charges and fees applicable to my investment.
7. I authorise the Administrator to deduct any electronic collections, pay any applicable taxes and also to pay all fees.
8. I declare that I am aware that neither the amount of the annuity nor the capital value of the Living Annuity is guaranteed. I declare that I am aware that this investment is subject to market risk and the value thereof will fluctuate with the market.
9. I understand and agree that no part of the services provided by Prescient and/or the Administrator constitutes a solicitation, recommendation, guidance or proposal, nor does it constitute financial, tax, legal, investment or other advice. I warrant to Prescient and/or the Administrator that I am acting for my own account, I have made my own independent decisions to enter into the investment and as to whether the investment is appropriate or proper for me, based upon my own judgment and upon advice from such advisors as I may deem necessary. I warrant that I am not relying on any communication from Prescient and/or the Administrator, whether written, oral or implied as investment advice or as a recommendation to enter into the investment; it being understood that information and explanations relating to the terms and conditions of an investment shall not be considered investment advice or a recommendation to enter into the investment. I warrant that I have not received from Prescient and/or the Administrator any assurance or guarantee as to the expected results of the investment.
10. I understand that I will be given online access to view my investment statement and/or the progress of any transaction and that the information reflected in such statement is live. I further acknowledge that I understand that any transaction is subject to change and may be corrected by the Administrator if necessary.
11. I understand that the Administrator will accept instructions from my Financial Service Provider (FSP) only if duly appointed and authorised in writing by me. The Administrator will not be held liable for any losses that may result from unauthorised instructions given by my FSP.

12. I hereby authorise the Administrator to furnish written reports to my duly appointed FSP, if applicable.
13. If I have appointed a Financial Advisor I authorise the payment of the negotiated fees to be paid to my Financial Advisor. This authority to pay fees may be withdrawn by written notice to Prescient and/or the Administrator.
14. I authorise the Administrator to accept and act upon instructions by facsimile or e-mail and hereby waive any claim that I have against the Administrator and indemnify the Administrator against any loss incurred as a result of the Administrator receiving and acting on such communication or instruction.
13. I agree that the Administrator shall pay amounts to my dependants and/or beneficiaries upon my death in accordance with my beneficiary nominations in this application form, and I authorise the Administrator to do so.
14. Any personal information may be used by the Administrator in the normal course of business to provide the products and services and the Administrator may retain any information for purposes of investment transactions, processing and administration and to communicate directly with me. Personal information will not be given or sold to any third parties. The Administrator will disclose or report personal information if and when required to do so by law or any regulatory authority, and to our employees (if relevant), or agents who require such information to carry out their duties.
15. I consent to the Administrator making enquiries of whatsoever nature for the purpose of verifying the information disclosed in this application and I expressly consent to the Administrator obtaining any other information concerning me from any source whatsoever to enable the Administrator to process this application.

**Signed at** \_\_\_\_\_ **Date** \_\_\_\_\_

**Full Name of Signatory** \_\_\_\_\_ **Capacity** \_\_\_\_\_

**Signature of Investor/Legal Guardian/authorised representative\* (if applicable)** \_\_\_\_\_

\* If signing on behalf of the investor please provide proof of authority and supporting verifying documentation

**INVESTMENT MANDATE**  
**PERSONAL SHARE PORTFOLIO (PSP)**

The FSP enters into a full discretionary Investment Mandate for a PSP with ..... (the Policyholder), with such mandate entered into being deemed to form part of the Portfolio Management Agreement entered into between Rexasolom (Pty) Ltd and Prescient Life (RF) Limited ("Prescient").

The FSP agrees to comply with the Investment Mandate(s) as set out below and required by Prescient in managing the Investments and carrying out its appointment as FSP in terms of the agreement. Prescient may at any time require the FSP to change the composition of Investments in each portfolio in order to ensure compliance with any applicable law, any directive from a regulatory authority or where deemed necessary by the board of directors of Prescient.

The particulars of such Mandate is summarised below - tick the appropriate boxes:

Portfolio Type	Risk Category	Asset Composition	Time Frame	Growth	Income	Growth + Income
Rexasolom Cash Portfolio	Low	Short dated Money Market	Less than 1			
Rexasolom 5%+ portfolio	Low/med	Flexible mandate with lower local and global equity exposure and an emphasis on high yielding instruments	1-3 year horizon			
Rexasolom 5% portfolio	Medium	Flexible Mandate with a balanced exposure to local and global equities	3-5 year horizon			
Rexasolom 3% Portfolio	Medium/High	Flexible Mandate with a high exposure to local and global equities	5-7 year horizon			

The Management fees payable in respect of the Policyholder to Rexasolom shall be .....% of the net asset value per annum of the Portfolio, calculated monthly.

SIGNED at \_\_\_\_\_ on this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_

\_\_\_\_\_  
 For : THE ANNUITANT

SIGNED at \_\_\_\_\_ on this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_

\_\_\_\_\_  
 For REXSOLOM (PTY) LTD

## To be retained by Investor Terms and Conditions

### General

1. The Living Annuity ("the Policy") is underwritten by Prescient Life (RF) Limited Reg. No. 2004/014436/06 ("Prescient"). Prescient is a registered long-term insurer under the Long-term Insurance Act, 1998 and an authorised financial services provider.
2. D&D the Cycle (Pty) Ltd (Reg. No: 2013/157477/07) ("the Administrator") is a registered financial services provider and have been appointed by Prescient to administer the Living Annuity on their behalf.
3. This application, together with the Policy document, will govern the legal relationship between the investor and Prescient. It is the Administrator's sole discretion to accept or reject the investor's application form on behalf of Prescient.
4. Once the investor's application is accepted, the Administrator will provide the investor with a Policy Document confirming the investment and summarising the terms and conditions of the Policy. Where the application form has been accepted with the supporting documentation and a contribution has been received in the bank account of the Policy with proof of deposit ("receipt") before the 15th of the month, the first annuity payment will be made in that month. Where receipt is on or after the 15th of the month, the first annuity payment will be made during the following month. If the 15th of the month is not a business day, the first business day preceding the 15th will be used as the cut-off day.
5. Investments into the underlying Investment Options will be made within 1 business day of acceptance of the application, subject to any delays caused by any third party or any other occurrences beyond the control of the Administrator.
6. The investor is obliged to draw an income. Income will be generated by repurchasing from the underlying Investment Options.
7. The amount of the income is not guaranteed and is calculated as a percentage of the value of the investment. The income will be reviewed annually on the Policy anniversary in accordance with the regulations pertaining to living annuities.
8. The income paid to the investor is subject to payment of Income Tax. The Administrator will deduct tax from the regular income payments and pay it over to the South African Revenue Service. The Administrator will calculate the applicable income tax rate on the assumption that this income is the investor's sole taxable income. A different tax rate will only be applied if the investor provides the Administrator with a tax directive rate. Current legislation excludes a capital gain in the underlying portfolios from Capital Gains Tax.
9. Prescient is entitled to change any of the underlying Investment Options offered by it under the Policy, at its discretion. In the event that an underlying Investment Option is removed, the investor will be given written notice (to the last known address), and requested to provide the Administrator with a switch instruction (detailing which alternative portfolio has been selected). In the absence of any signed instruction, the Administrator will affect a switch to the Prescient Money Market Fund.
10. The Policy cannot be cancelled but may be transferred from one insurer to another. The Policy may be converted to a conventional annuity if transferred to another insurer and this option may not be reversed.
11. All material facts must be accurately and properly disclosed, and the accuracy and completeness of all answers, statements or other information provided by or on behalf of the investor, are the investor's own responsibility.
12. The investor has 14 days after receipt of the investment confirmation within which to report any errors to the Administrator.
13. No indulgence granted by the Administrator shall affect or prejudice the rights of Prescient and/or the Administrator, nor shall it be regarded as a waiver of any rights.

### Personal Share Portfolio (PSP)

1. The PSP is held in the name of Prescient Life (RF) Limited for your benefit.
2. Prescient has given the PSP provider an investment mandate. In terms of this mandate, a PSP may include listed shares, listed debt instruments like bonds, listed property, cash and other approved securities.
3. The PSP provider is responsible for the investment management of all assets in the PSP.
4. The PSP provider may not process any request from you or provide any investment instruction that falls outside Prescient's investment mandate with them.
5. Prescient allows you to provide input to the PSP provider on the management of your PSP. This input is limited to the investment mandate you have entered into with the PSP provider.
6. Prescient may withdraw your ability to provide input to the PSP provider, at any time.
7. The PSP is subject to the PSP provider's standard business rules, procedures and timing standards which must be provided to you when you enter into an investment mandate with the PSP provider.
8. The Administrator will pay the PSP investment amount to the PSP provider once it has accepted your application.
9. The Administrator will use portfolio information provided by the PSP provider to calculate a unit price in respect of your total investment holdings in order to report to you. Delays in pricing a PSP beyond the Administrator's control may result in delays in processing instructions.
10. All PSP's must contain a cash component for the deduction of ongoing fees payable e.g. administration fees and PSP fees.
11. If there is any tax to be paid for transactions in the PSP, the Administrator will request your PSP provider to pay it from the PSP.
12. If your investment in the PSP is at any time less than the PSP provider's minimum for a segregated portfolio, the PSP provider may switch the current PSP investment to another investment component deemed suitable by them, such as a portfolio under a collective investment scheme.

### Applicable if appointing a Financial Advisor/FSP

1. The Administrator will only accept applications, submitted on behalf of investors, from FSP's who have been granted a licence by the Financial Services Board.
2. Prescient and/or the Administrator cannot be held responsible or liable for loss or damage suffered by the investor as a result of the FSP acting outside his / her licence parameters or because of delays in the processing or rejection of this application form,

caused by the fact that the investor's FSP is not authorised as a Financial Services Provider or is not approved by the Administrator.

3. The FSP is responsible for ensuring that the investor receives and understands all appropriate advice, product and fee information including changes in the working practices and procedures of the Administrator.

## Instructions

1. Only signed written instructions (faxed copies included) from the investor or the FSP will be acted upon.
2. The Administrator will not proceed with any transaction if there is any doubt as to the validity of any signatures/information or if it deems the instruction to be incomplete in any way and the Administrator cannot be held liable for any resultant losses as a result thereof.

## Reporting

Statements will be emailed to the investor annually after the annual audit of Prescient has been completed. Electronic copies of statements are available through granted online access. Investors will be sent an email transaction advice on the completion of any instruction (with the exclusion of certain regular transactions) to the e-mail address as supplied above.

## Fees

1. The fees that apply to the selected Investment Options are set out in the latest Investment Option Brochure, the Policy document and the Investment Mandate.
2. The Administrator does not charge an initial fee.
3. You may negotiate an initial advisor fee, subject to the relevant maximums, to be paid to your financial advisor before your first contribution is invested.
4. You may negotiate an annual advisor fee to be paid to your financial advisor. Units will need to be cancelled to pay your advisor this fee.
5. Current fees deducted by the Administrator are:
  - A maximum annual fee of 0.60% (excl. VAT) per Policy.
  - Where the total investment exceeds R5million, the annual administration fee may be reduced to 0.35% (excl. VAT).
  - Where the total investment exceeds R10million, the annual administration fee may be reduced to 0.25% (excl. VAT).
6. All fees may be amended from time to time, and in such event, a notification will be sent to the investor.

## Risk Warning

1. Collective Investment Schemes in Securities (CIS) should be considered as medium to long-term investments. The value may go up as well as down and past performance is not necessarily a guide to future performance. CIS's are traded at the ruling price and can engage in scrip lending and borrowing. A schedule of fees, charges and maximum commissions is available on request from the Manager. There is no guarantee in respect of capital or returns in a portfolio. A CIS may be closed to new investors in order for it to be managed more efficiently in accordance with its mandate. CIS prices are calculated on a net asset basis, which is the total value of all the assets in the portfolio including any income accruals and less any permissible deductions (brokerage, STT, VAT, auditor's fees, bank charges, trustee and custodian fees and the annual management fee) from the portfolio divided by the number of participatory interests (units) in issue. Forward pricing is used. The Fund's Total Expense Ratio (TER) reflects the percentage of the average Net Asset Value (NAV) of the portfolio that was incurred as charges, levies and fees related to the management of the portfolio. A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER cannot be regarded as an indication of future TER's. During the phase in period TER's do not include information gathered over a full year.

A Money Market portfolio is not a bank deposit account and the price is targeted at a constant value. The total return is made up of interest received and any gain or loss made on any particular instrument; and in most cases the return will have the effect of increasing or decreasing the daily yield, but in the case of abnormal losses it can have the effect of reducing the capital value of the portfolio. The yield is calculated as a weighted average yield of each underlying instrument in the portfolio. Excessive withdrawals from the portfolio may place the portfolio under liquidity pressures and a process of ring-fencing of withdrawal instructions and managed pay-outs over time may be followed

A Fund of Funds is a portfolio that invests in portfolios of collective investment schemes, which levy their own charges, which could result in a higher fee structure for these portfolios. A Feeder Fund is a portfolio that invests in a single portfolio of a collective investment scheme which levies its own charges and which could result in a higher fee structure for the feeder fund. The Manager retains full legal responsibility for any third-party-named portfolio. Where foreign securities are included in a portfolio there may be potential constraints on liquidity and the repatriation of funds, macroeconomic risks, political risks, foreign exchange risks, tax risks, settlement risks; and potential limitations on the availability of market information. The investor acknowledges the inherent risk associated with the selected investments and that there are no guarantees. Prescient is a member of the Association for Savings and Investments SA.

2. Prescient and/or the Administrator shall not be held responsible for any loss, consequential or otherwise, arising from changes in tax or other legislation that may have an impact on the performance of this investment.
3. 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

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.

4. It is important to note that investments held in your living annuity are made up of various types of asset 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 adviser 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 preretirement 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.

## FICA Requirements

In terms of the Financial Intelligence Centre Act, 2001 ("FICA") the Administrator requires a copy of each of the following documents:

**An "ID document" means a document containing a photo, full names, date of birth and ID number, a passport containing or a valid driver's licence.**

**"Proof of address/business address" means a document less than 3 months old containing residential address that is a utility bill, bank statement, rates account or tax invoice.**

### 1. South African Citizens and Residents or Foreign Nationals (Natural Person)

- ID document, drivers licence or a passport.
- Proof of address.

### 2. Third Party Representing another Individual/Power of Attorney

- *If the third party is a natural person:* ID document in respect of third party
- *If the third party is a legal entity:* the entity's certificate of registration (CM1), proof of address (CM22), and proof of authorised signatories.

- Proof of authority to act e.g. power of attorney, investment mandate, resolution or court order.

## Prescient's Contact Details

Prescient House  
Westlake Business Park  
Otto Close  
Westlake, 7945

P O Box 31142  
Tokai  
7966

plife@prescient.co.za  
www.prescient.co.za  
Tel: 021 700 3600  
Fax: 021 700 5425

## Administrator Contact Details

D&D the Cycle (Pty) Limited  
Building 4,  
Culross On Main,  
34 Culross Road,  
Bryanston, Sandton, 2021

P O Box 73725  
Fairland  
Johannesburg,  
Gauteng, 2030

www.thecycle.co.za  
Tel & Fax: 0836304359

## Complaints

Please do not hesitate to contact Prescient if you are not satisfied with this investment or the services received from the Administrator. A complaint must be submitted to the Compliance Officer at the address of Prescient above. We will acknowledge the complaint in writing and will inform the investor of the contact details of the persons involved in the resolution thereof.

If an investor is not satisfied with the response from Prescient and/or the Administrator, the investor has the right to contact the Ombud for Long-term Insurance at:

Private Bag X45,  
Claremont, 7735

Tel: +27 21 657 5000  
Fax: +27 21 674 0951

If an investor has a complaint about the advice given by the FSP, he/she has the right to address his/her complaint in writing to the Ombud for Financial Services Providers at the address below.

P O Box 74571,  
Lynnwood Ridge, 0040

Tel: +27 12 470 9080  
Fax: +27 12 348 3447  
Email: [info@faisombud.co.za](mailto:info@faisombud.co.za)

An Ombud is legally empowered to investigate and adjudicate complaints in a procedurally fair, economical and expeditious manner.