

**INVESTMENT POLICY**

Issued to

**CORPORATE SELECTION UMBRELLA PENSION FUND**

**IN RESPECT OF**

**LIBER8 SMART**

**PARTICIPATING EMPLOYERS**

With effect from 1 June 2014

underwritten by

**LIBERTY GROUP LIMITED  
REG NO. 1957/002788/06**

and its

**ASSOCIATED COMPANIES**

**PHYSICAL ADDRESS**

**LIBERTY CENTRE  
1 AMESHOFF STREET  
BRAAMFONTEIN**

**TELEPHONE  
011 408 2999**

**POSTAL ADDRESS**

**P.O. BOX 10499  
JOHANNESBURG  
2000**

**FACSIMILE  
011 408 2726**

# CORPORATE SELECTION UMBRELLA PENSION FUND

("the Fund")

WHEREAS the Fund has made application to Liberty Group Limited (hereinafter referred to as "Liberty") for the purpose of the investment of monies for Members and their Beneficiaries in terms of its Rules in respect of Members who participate in the Fund under the "Liber8 Smart" option;

AND WHEREAS Liberty has agreed to invest the amounts as specified in the said application on the basis of written or electronically transmitted statements and declarations made on or in connection with the application;

With effect from 1 June 2014 ("the Commencement Date") Liberty hereby issues this policy to the Fund in the name of the Fund (hereinafter referred to as "this Policy").

In terms of this Policy it is agreed by and between the Fund and Liberty and is declared as follows:

In consideration of payment of the amounts described in this Policy, Liberty shall invest monies and pay such benefits as described in the Schedules to this Policy on receipt of satisfactory proof of the happening of the events described therein;

Provided always that all dealings with benefits and payments made shall be subject to the conditions of all of the following documents, which shall be deemed to form part of this Policy:

- (i) any Proposal, Declaration, Scheme Authority and Member Authority;
- (ii) any Endorsements, Schedules and Annexures attached hereto;
- (iii) the Rules as defined in this Policy; and
- (iv) all documents or electronic transmissions furnished in terms of this Policy and the Rules.

SIGNED: FOR AND ON BEHALF OF LIBERTY

20 JANUARY 2015  
DATE

DESIGNATION: HEAD OF FUND GOVERNANCE

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# CORPORATE SELECTION UMBRELLA PENSION FUND

## SECTION 1 - GENERAL CONDITIONS

### 1. GENERAL

#### 1.1 INTERPRETATION

In this Policy, where the context or circumstances so admit or require and unless otherwise expressly stated:

- 1.1.1 Words and expressions defined as Policy Definitions shall have the meanings given to them.
- 1.1.2 Words and expressions defined as Schedule Definitions shall have the meanings given to them in respect of that Schedule only.
- 1.1.3 Words importing the singular shall include the plural and vice versa.
- 1.1.4 Words importing one gender shall include the other genders and vice versa.
- 1.1.5 For the purposes of this Policy, the phrase "in writing" shall mean written communications as well as information stored or transferred electronically in terms of the Scheme Authority or Member Authority
- 1.1.6 Any headings to clauses, the Schedules, any Endorsements or any Annexure hereto do not form part of, nor do they affect, the interpretation of this Policy, but are for convenience of reference only.

#### 1.2 POLICY DEFINITIONS

- "ACT"** means the Pension Funds Act (Act 24 of 1956) as amended or any replacement thereof.
- "ACTUARY"** means Liberty's statutory actuary as provided for in the Long-term Insurance Act (Act 52 of 1998) as amended or replaced.
- "AD HOC RETURN"** in respect of the Liberty Stable Growth Fund Portfolio, means a return, whether positive or negative, declared on all investments in the portfolio, at the discretion of the Actuary, and effective immediately at the time of declaration. This is a different return from the monthly return based on the Return Formula, which is declared and effected linearly over the Return Period.
- "BENEFIT PAYMENT"** means a retirement, retrenchment, resignation, death, or divorce award payment to a Member or non-member spouse in terms of the Rules of the Fund.

# CORPORATE SELECTION UMBRELLA PENSION FUND

## SECTION 1 - GENERAL CONDITIONS

### CONTINUED

"BONUS PERIOD"	in respect of the Corporate Advanced Bonus Portfolio, means the period of 3 months commencing on 01 January, 01 April, 01 July and 01 October of each year.
"BUSINESS DAY"	means every day except a Saturday or Sunday or official South African public holiday.
"COMMENCEMENT DATE"	means the date on which Liberty first issued a Policy to the Fund being 1 June 2014.
"COMMISSIONER"	has the meaning as defined in the Rules.
"CONTRIBUTIONS"	means all monies (including any voluntary contributions or transfers from another fund, but excluding any premiums in respect of insured risk benefits) payable to Liberty for the purposes of providing the benefits afforded by this Policy.
"ELECTION"	means the investment of future Net Contributions in an Investment Portfolio other than that in which Net Contributions are currently being invested.
"INVESTMENT PORTFOLIO"	means an investment portfolio which Liberty may make available from time to time for this class of Policy and shall include the expression "Portfolio".
"MEMBER"	means any person who is admitted to membership of the Fund in accordance with the Rules and shall include any such person as long as they are prospectively entitled to a Benefit Payment from the Fund. "MEMBERSHIP" shall have a corresponding meaning.
"NET CONTRIBUTION"	means the amount remaining and invested in this Policy, after the deduction of any charges, other than asset-based administration fees, from the Contributions (including any voluntary contributions or transfers from another fund).
"NORMAL RETIREMENT DATE"	has the meaning as defined in the Rules.
"PARTICIPATING EMPLOYER"	has the meaning as defined in the Rules.
"POLICY VALUE"	means the sum of the Portfolio Values.

# CORPORATE SELECTION UMBRELLA PENSION FUND

## SECTION 1 - GENERAL CONDITIONS CONTINUED

<b>"PORTFOLIO VALUE"</b>	means at any time: (1) the value of Units then allocated to the Fund, which shall equal the number of Units allocated multiplied by the current Unit repurchase price, (2) plus Net Contributions received but not yet invested in the Investment Portfolio, (3) less all Fees including Fees not yet disinvested, (4) less all Tax including Tax not yet disinvested, (5) less all Statutory and similar charges not included in the determination of the Unit Price including charges not yet disinvested, (6) less the value of any Benefit Payments or Switches not yet disinvested, which shall equal the number of Units related to the Benefit Payment or Switches not yet disinvested, multiplied by the Unit repurchase price at the appropriate date of disinvestment, (7) plus, where appropriate, property capital surplus.
<b>"REGISTRAR"</b>	has the meaning as defined in the Rules.
<b>"RETURN FORMULA"</b>	in respect of Liberty Stable Growth Fund Portfolio, means the formula used to determine the regular monthly returns, whether positive or negative, declared on investments in the Portfolio.
<b>"RETURN PERIOD"</b>	in respect of the Liberty Stable Growth Fund Portfolio means the period of 1 month commencing on the first day of each calendar month.
<b>"RULES"</b>	means the Rules governing the Fund.

# CORPORATE SELECTION UMBRELLA PENSION FUND

## SECTION 1 - GENERAL CONDITIONS CONTINUED

**"SCHEME  
AUTHORITY"**

means an authority signed by an authorised representative of the Fund or Participating Employer by virtue of which notices, communication, data or any other information in respect of the Fund, its Members or any party having a valid interest in the Fund may be communicated or stored utilising electronic means, which shall include, but not be limited to, facsimile, e-mail, electronic data interchange (EDI) or any other computer readable medium.

**"MEMBER AUTHORITY"** shall, where the context so permits, have a similar meaning.

**"SWITCH"**

means the transfer of all or a portion of the existing Policy Value to an Investment Portfolio or Portfolios different from that in which the Policy Value is currently invested.

**"UNIT"**

means the units as described in the Investment Schedule forming part of this Policy.

SECTION 1 - GENERAL CONDITIONS  
CONTINUED

1.3 NOTICES AND COMMUNICATION

- 1.3.1 Every notice or communication to be given, sent or made under this Policy shall be in writing, which shall include electronic communication.
- 1.3.2 Where electronic communication is utilised, the onus shall be on the sending party to prove delivery to the receiving party.
- 1.3.3 Any such notice or communication addressed to the Fund shall be sent to the Fund at the address last notified by it in writing to Liberty.
- 1.3.5 Any such notice or communication addressed to Liberty shall be sent to Liberty at its Head Office for the time being.

1.4. CURRENCY, PLACE OF PAYMENT

All payments to or by Liberty under this Policy shall be made in the lawful currency of the Republic of South Africa by means of an electronic fund transfer to or from an account designated by Liberty.

1.5 LAW

Any question of law arising under this Policy shall be decided in accordance with the laws of the Republic of South Africa.

1.6 AMENDMENT TO POLICY CONDITIONS

- 1.6.1 Liberty may amend any provision or condition of this Policy after giving the Fund two month's written notice (or such other period of notice as specifically provided for in this Policy) of its intention to effect the amendment.
- 1.6.2 The Fund shall be entitled to request Liberty, in writing, to amend any provision of the Policy. Liberty shall have two months to consider the Fund's proposal to revert to the Fund with a decision.
- 1.6.3 Senior representative of Liberty shall, during the two month periods envisaged in clauses 1.6.1 and 1.6.2, as far as is reasonably possible, avail themselves to representatives of the Fund to discuss the proposed amendments to the Policy.
- 1.6.4 The Parties shall, in the course of the discussions, conduct themselves honourably and in good faith and in a manner compatible with the principles of Treating Customers Fairly.



# CORPORATE SELECTION UMBRELLA PENSION FUND

## SECTION 1 - GENERAL CONDITIONS CONTINUED

### 1.7 DISCONTINUANCE AND TERMINATION

- 1.7.1 The Fund may discontinue Contributions to this Policy on expiry of one calendar month's written notice to Members, Liberty and to Participating Employers.
- 1.7.2 Liberty may discontinue accepting Contributions to this Policy at any time on the occurrence of any one of the following events:
  - 1.7.2.1 The Fund being placed under judicial management or in liquidation or effecting a compromise with its creditors.
  - 1.7.2.2 A material non-compliance by the Fund with the provisions of its Rules or with the Provisions of this Policy.
  - 1.7.2.3 Cessation of Contributions by the Fund without notice as required under Clause 1.7.1 above.
  - 1.7.2.4 Before implementing the provisions of this Clause, Liberty shall give the Fund one calendar month's written notice of its intended action.
- 1.7.3 The discontinuance of Contributions to this Policy will not affect any claim for Benefit Payments by the Fund where the event giving rise to the claim occurred before Contributions were discontinued, provided that the potential claim is notified to Liberty within one month of the occurrence of the event giving rise to the claim.
- 1.7.4 On the discontinuance of Contributions to this Policy the following terms and conditions will apply.
  - 1.7.4.1 Upon discontinuance, the benefits secured by the Contributions shall be held as paid-up benefits or, in terms of the relevant cash redemption provisions contained in the Investment Portfolio Schedules be disposed of in accordance with the provisions of the Rules.
  - 1.7.4.2 The date at which the Policy is made paid-up (the "Termination Date") shall be the earlier of:
    - 1.7.4.2.1 the expiry of the notice period, described in Clause 1.7.1,
    - 1.7.4.2.2 the date on which the event specified in Clause 1.7.2.1 is effective,
    - 1.7.4.2.3 the expiry of the notice period as described in Clause 1.7.2.4.

# CORPORATE SELECTION UMBRELLA PENSION FUND

## SECTION 1 - GENERAL CONDITIONS CONTINUED

### 1.8 DISPUTES

- 1.8.1 In the event of conflict between the provisions of the Rules and the conditions of this Policy, the following shall apply:
- 1.8.2 in all matters relating to the rights and obligations of the Fund under this Policy, the conditions of this Policy shall prevail.
- 1.8.3 in all other matters, including the rights and obligations of Members, the provisions of the Rules shall prevail.
- 1.8.4 in all matters relating to the conditions of this Policy, if disputes arise which cannot be resolved amicably between the parties, the matter shall be referred for resolution by mediation under the rules of the Arbitration Foundation of Southern Africa ("AFSA"), which mediation decision shall be binding.
- 1.8.5 Should mediation fail, the matter under dispute must, within 15 Business Days of such failure, be referred for expedited arbitration in Sandton, Gauteng, under the rules of AFSA.
- 1.8.6 The parties to the dispute shall, by agreement appoint a single arbitrator to rule on the dispute.
- 1.8.7 Should the parties fail to agree on the arbitrator within 10 Business Days after referral, an arbitrator will be appointed by the Secretariat of AFSA to hear the matter.
- 1.8.8 The arbitrator's decision shall be final.
- 1.8.9 Notwithstanding the above, the disputing parties may shorten or lengthen the periods referred to in respect of negotiation or mediation by written agreement.
- 1.8.10 The contents of clause 1.8 shall not preclude any party from access to an appropriate court of law or alternate dispute resolution body established by law or otherwise, for appropriate relief in any matter under dispute.
- 1.8.11 The contents of this clause shall continue to be binding notwithstanding the fact that the one or more parties to the dispute may have ceased to exist.

### 1.9 BENEFITS ARE NON-ASSIGNABLE

This Policy is issued solely for the benefit of the Fund and no right, title, interest or benefit herein or hereunder may be ceded, assigned or disposed of in any manner without the prior written approval of Liberty.

# CORPORATE SELECTION UMBRELLA PENSION FUND

## SECTION 1 - GENERAL CONDITIONS CONTINUED

### 1.10 DISCHARGE OF LIABILITY

Notwithstanding anything to the contrary contained in this Policy or in the Rules, the production by Liberty of an instruction, duly signed by or on behalf of the Fund, to make any payment to any person or body, and proof that such payment has been made by electronic fund transfer to the account reflected in such instruction, shall be final and conclusive evidence and proof that the payment has been paid and received. Liberty shall not be liable for any further action, claim or demand of whatever nature in respect thereof.

## 2. DUTIES AND RESPONSIBILITIES OF THE FUND

### The Fund shall:

- 2.1 Where it is required to be registered by the Registrar or to be approved by the Commissioner,
  - 2.1.1 ensure that it is registered by the Registrar, or
  - 2.1.2 ensure that it is approved by the Commissioner; and
  - 2.1.3 ensure that it at all times complies with the provisions of the Act, the Income Tax Act and any other legislation relevant to the Fund.
- 2.2 Provide proof to the satisfaction of Liberty of the occurrence of an event giving rise to a claim for Benefit Payments under this Policy.
- 2.3 Provide such other information as may reasonably be requested by Liberty.

Such information shall be delivered in a form acceptable to Liberty within 30 Business Days of the date of such event or request.
- 2.4 Pay Contributions into this Policy in accordance with the Fund's Rules and the provisions of the Act.
- 2.5 Advise Liberty of its intention to discontinue Contributions to a particular Portfolio or to the Policy as a whole as provided for in the relevant Schedules to this Policy.
- 2.6 Advise Members of any restriction or condition imposed by this Policy. Failure to do so shall not affect the operation of such restriction or condition.

# CORPORATE SELECTION UMBRELLA PENSION FUND

## SECTION 1 - GENERAL CONDITIONS

### CONTINUED

- 2.7 Where the Fund is required to act in respect of a Participating Employer, the Fund may delegate the duty to provide information, pay contributions or give notice to a duly authorised representative of such Participating Employer. Such delegation shall not absolve the Fund from any liability imposed upon it under this Policy.

### 3. DUTIES AND RESPONSIBILITIES OF LIBERTY

#### Liberty shall:

- 3.1 Ensure that it, at all times, complies with the provisions of the Act, the Income Tax Act and any other legislation relevant to this Policy.
- 3.2 Apply the amounts received in terms of this Policy for the purposes as set out in the relevant Schedules to this Policy.
- 3.3 Pay all amounts and/or benefits as set out in the relevant Schedules to this Policy.
- 3.4 With respect to this Policy, furnish the Fund with any information it may reasonably require and provide such other information as may reasonably be requested by the Fund.

Such information shall be delivered in a form acceptable to the Fund within 30 Business Days of the date of the request.

- 3.5 Be entitled to discontinue all or part of this Policy after providing the Fund with such written notice as set out in the relevant Schedules to this Policy.
- 3.6 Not accept any claim for interest or any other compensation in respect of delays in payment of amounts resulting from the Fund's failure to provide:
- 3.6.1 timeous proof of the occurrence of the event giving rise to such claim for benefit, or
- 3.6.2 timeous discharge, indemnity or such other documents as may be required for the purposes of paying such amount or benefit.
- 3.7 Not accept any claim for interest or any other compensation in respect of delays in investing amounts resulting from the Fund's failure to provide timeous or accurate information as required in terms of Clause 2 of this Section of the Policy.

# CORPORATE SELECTION UMBRELLA PENSION FUND

## SECTION 2 - INVESTMENT SCHEDULE

### 1. UNITS

- 1.1 It is recorded that, solely for the purpose of ease of administration and simplicity in determining the Portfolio Value and without conferring on the Fund any interest or undivided share of whatsoever nature in any of the investments held in the Investment Portfolio, the Investment Portfolio shall be divided into Units.
- 1.2 The Unit price, which shall be applied for the purchase and the sale of Units, shall normally be determined daily (the "Valuation Date") or, where deemed appropriate by Liberty, on a more, or less, frequent basis. All Net Contributions shall be used to purchase Units in an Investment Portfolio using the Gross Selling Price ruling on the later of the Business Day following receipt of such Net Contributions or the date on which the Net Contribution is identified as being available for allocation to this Policy.
- 1.3 The "Gross Selling Price" shall be the price, as made available by the fund manager of the Investment Portfolio, increased by any purchase fees levied by the fund manager of the Investment Portfolio and any other amounts incurred in the purchase of units.
- 1.4 The "Repurchase Price" shall be the price as made available by the fund manager of the Investment Portfolio, and shall be reduced by any redemption fees levied by the Investment Portfolio and any other costs associated with the sale of units.
- 1.5 Net income distributions received or accrued from an Investment Portfolio shall be adjusted for income tax and applied to purchase Units at the Gross Selling Price.
- 1.6 Benefit Payments and Switches shall be disinvested by the sale of Units at the Repurchase Price.
- 1.7 Except under the circumstances as set out in the particular Investment Portfolio Schedule, the number of Units will only be increased at the time of the addition of investments. Units will only be cancelled at the time of the disposal or exclusion of investments.
- 1.8 On the acquisition or disposal of investments, the new number of Units shall be determined in such a manner that the Unit price is the same immediately before and after such acquisition or disposal.

### 2. CHOICE OF INVESTMENT PORTFOLIO

- 2.1 The Fund has elected to invest in the Liberty Life Stage Portfolio but on giving appropriate notice may invest in any of the Investment Portfolios that Liberty may make available from time to time for this class of Policy.

# CORPORATE SELECTION UMBRELLA PENSION FUND

## SECTION 2 - INVESTMENT SCHEDULE

- 2.2 The list of available Investment Portfolios shall be maintained on Liberty's Intranet or Internet site, as is appropriate, and shall also be made available for inspection at Liberty's Head Office, which at the Endorsement Date is 1 Ameshoff Street, Braamfontein, Johannesburg.

### 3. INVESTMENT AND DISINVESTMENT

- 3.1 All Net Contributions received by Liberty shall be invested in the available Investment Portfolio.
- 3.2 Notwithstanding the above or any other provision contained in this Policy, Liberty shall, where it may be constrained in securing certain investments for whatsoever reason, be entitled to invest any part of the Net Contributions in the Standard Bank Corporate Money Market Portfolio and shall advise the Fund accordingly.
- 3.3 All benefits paid by the Fund shall be treated as disinvestments from the appropriate Investment Portfolio at the date referred to in Clause 3.5 below.
- 3.4 Allocation of Net Contributions shall be made on the Business Day following identification of an amount as a Net Contribution.
- 3.5 All Benefit Payments will be disinvested on the Business Day preceding payment. Where any discharge, indemnity or other document required for the purpose of a payment is outstanding on receipt of a request for a Benefit Payment, Liberty shall disinvest the amount due and invest it in the Standard Bank Corporate Money Market Portfolio until the date on which payment can be made.
- 3.6 The Fund shall have no property or real rights in relation to the investments which comprise any Investment Portfolio, which investments shall at all times be and remain the unencumbered property of Liberty.

### 4. REDEMPTION BY THE FUND

The notice period required for a cash redemption of all or part of this Policy and the terms and conditions applicable to repayment of the Portfolio Value shall be as set out in this Policy.

# CORPORATE SELECTION UMBRELLA PENSION FUND

## SECTION 3 - SCHEDULE OF FEES AND CHARGES

### 1. COMMISSION

A charge for commission in terms of the provisions of the Long-term Insurance Act, as is applicable to this class of policy, shall be levied in addition to any other charges reflected herein, in a manner determined by the Actuary.

### 2. INVESTMENT FEES

Unless otherwise stated in this Policy, all investment fees charged by the underlying investment managers of the Portfolios, which shall include but not be limited to performance fees and frictional/transactional costs, shall be deducted by the investment manager prior to the determination of the Unit Price.

# CORPORATE SELECTION UMBRELLA PENSION FUND

## SECTION 4 - SCHEDULE OF INVESTMENT PORTFOLIO ATTRIBUTES

### THE LIBERTY SERIES OF PORTFOLIOS THE LIBERTY ADVANCED BONUS PORTFOLIO

The following terms and conditions shall apply to the Liberty Advanced Bonus Portfolio:

#### 1. RETURN AND ALLOCATION

- 1.1 The Policy will participate in that part of the net surplus of the Liberty Advanced Bonus Portfolio as the Actuary decides is attributable to it.
- 1.2 The net surplus is determined by the Actuary, gross of the Asset-based Policy Fees reflected in the Schedule of Fees and Charges contained in this Policy.
- 1.3 The net surplus shall be distributed by means of a bonus that will be declared at the commencement of each Bonus Period and will vest linearly over the Bonus Period.
  - 1.3.1 A bonus may not be negative, and
  - 1.3.2 A bonus, once declared, may not be reduced.
- 1.4 The Unit price on any Valuation Date shall be adjusted from that of the previous Valuation Date, to reflect the bonus referred to in Clause 1.3 above for the intervening period, giving the new Unit price.

#### 2. PORTFOLIO REDEMPTION PAYMENT

The Portfolio Value will normally be Switched or paid out within 3 (three) Business Days of the end of the Bonus Period following receipt of the request.

Provided that Liberty reserves the right to give written notice at any time to affected Funds (and their appointed financial advisors where applicable) of their intent to delay payment of any cash redemption payment, even if appropriate notice has been given, as the Actuary may determine to be equitable to remaining investors in this Portfolio.



# CORPORATE SELECTION UMBRELLA PENSION FUND

## SECTION 4 - SCHEDULE OF INVESTMENT PORTFOLIO ATTRIBUTES

### THE LIBERTY SERIES OF PORTFOLIOS THE LIBERTY STABLE GROWTH FUND PORTFOLIO

The following terms and conditions shall apply to the Liberty Stable Growth Fund Portfolio:

#### 1. RETURN AND ALLOCATION

- 1.1 The Policy will participate in that part of the return smoothing reserve of the Liberty Stable Growth Fund Portfolio as determined by the Return Formula and agreed to by the Actuary, for each Return Period.
- 1.2 The return smoothing reserve is determined gross of the Asset-based Administration Fees reflected in the Schedule of Asset-based Policy Fees contained in this Policy.
- 1.3 The return smoothing reserve shall be distributed by means of an investment return determined in terms of the Return Formula that will be declared at the commencement of each Return Period and will vest linearly over the Return Period. The investment return determined in terms of the Return Formula may be positive, zero or negative.
- 1.4 An Ad Hoc Return, either positive or negative, may be declared at any time that the Actuary deems it necessary. This Ad Hoc Return will vest immediately, and the unit price will be adjusted to reflect the Ad Hoc Return.
- 1.5 The Unit price on any Valuation Date shall be adjusted from that of the previous Valuation Date, to reflect the return referred to in Clause 1.3, and Clause 1.4, above for the intervening period, giving the new Unit price.

#### 2. PORTFOLIO REDEMPTION PAYMENT

- 2.1 Liberty will recognise two types of disinvestment from this portfolio;
  - 2.1.1 Withdrawals, being
    - Individual member Benefit Payments and Switches, and
  - 2.1.2 Partial and Full Terminations, being;
    - Aggregate Withdrawals as reflected in Clause 2.1.1 above in excess of 20% (twenty percent ) of the Fund's investment in this Portfolio, measured over any preceding three month period, and
    - Any other payments from the Portfolio.
- 2.2 Disinvestments in respect of Withdrawals as reflected in Clause 2.1.1 above will normally be Switched or paid out within 3 (three) Business Days of receipt of the request to disinvest or Switch.

SECTION 4 - SCHEDULE OF  
INVESTMENT PORTFOLIO  
ATTRIBUTES

THE LIBERTY SERIES OF PORTFOLIOS  
THE LIBERTY STABLE GROWTH FUND PORTFOLIO (CONTINUED)

- 2.3 In respect of Partial and Full Terminations as reflected in Clause 2.1.1 above, the Fund shall give Liberty the following written notice of its intention to redeem in whole or in part, from this Portfolio;
- 2.3.1 30 (thirty) calendar days in respect of amounts of less than R50 000 000 (Fifty million Rand),
- 2.3.2 90 (ninety) calendar days written notice in respect of amounts of R50 000 000 (Fifty million Rand) but not exceeding R200 000 000 (two hundred million Rand), and
- 2.3.3 180 (one hundred and eighty) calendar days notice in respect of amounts greater than R200 000 000 (two hundred million Rand).
- 2.4 The redemption will take place subject to Liberty having received such indemnities, discharges and documents or information as it may require.
- 2.5 Notwithstanding the content of Clause 2.2 and 2.3 above, where the Actuary is of the opinion that a redemption would prejudice the other investors in the Portfolio, the Actuary may apply increased notice periods, or any other measures deemed necessary to protect the interest of the other investors in this Portfolio.

# CORPORATE SELECTION UMBRELLA PENSION FUND

## SECTION 4 - SCHEDULE OF INVESTMENT PORTFOLIO ATTRIBUTES

### THE LIBERTY SERIES OF PORTFOLIOS LIFE STAGE PORTFOLIOS

The following terms and conditions shall apply to investments in a Life Stage Portfolio:

#### 1. COMPOSITION

- 1.1. A Liberty Life Stage Portfolio shall be made available to the Fund.
- 1.2. Life Stage Portfolios are designed to automatically reduce the investment volatility to which the Member's retirement funds are exposed as the Normal Retirement Date approaches.
- 1.3. Life Stage Portfolios are structured in descending risk profile order.
- 1.4. They are structured so that the units in the investment account, as well as any future investment contributions, are automatically switched into a progressively more conservative Investment Portfolio, the closer the Member is to the Normal Retirement Date as reflected in the following table.

#### Liberty Life Stage Portfolio

Minimum months to Normal Retirement Date	Maximum months to Normal Retirement Date	Percentage invested in preservation element	Percentage invested in growth element
0	24	100	0
25	36	50	50
37	999	0	100

- 1.5. The Fund may not make an Election in respect of any Member of the Fund to this Life Stage Portfolio without a corresponding Switch of existing assets from any other Portfolio to this Life Stage Portfolio in respect of such Member.
- 1.6. The Fund may not make an Election in respect of any Member of the Fund from this Life Stage Portfolio to any other Portfolio without a corresponding Switch from this Life Stage Portfolio to any other Portfolio in respect of such Member.
- 1.7. The Fund, may not invest Net Contributions in respect of a Member in any other Investment Portfolio, whilst this Life Stage Portfolio is being utilised for that Member.

SECTION 4 - SCHEDULE OF  
INVESTMENT PORTFOLIO  
ATTRIBUTES

THE LIBERTY SERIES OF PORTFOLIOS  
LIFE STAGE PORTFOLIOS (CONTINUED)

- 1.8. The Fund may not elect to invest in only one of the underlying Portfolios in this Life Stage Portfolios to the exclusion of the other, nor alter the timing of the Switch and Election whilst the Life Stage Portfolio is being utilised for a Member.

2. **PORTFOLIO REDEMPTION PAYMENT**

The Portfolio Value will be Switched or paid out within 3 (three) Business Days of the end of the notice period for a Switch from the underlying Portfolio.

**STATUTORY NOTICE TO POLICYHOLDERS IN TERMS OF  
SECTION 62 OF THE LONG-TERM INSURANCE ACT (1998)  
(This notice does not form part of the Policy)**

**IMPORTANT - PLEASE READ CAREFULLY**

As a long-term insurance policyholder, or prospective policyholder, you have the right to the following information:

1. The intermediary (insurance broker or representative) dealing with you must at the earliest reasonable opportunity disclose:
  - (a) Name, physical and postal address and telephone number.
  - (b) Legal capacity: whether independent or representing an insurer or brokerage.
  - (c) Concise details of relevant experience.
  - (d) Insurance products that may be sold.
  - (e) Insurers whose products may be marketed.
  - (f) Indemnity cover held - Yes / No.
  - (g) Shareholdings in insurers if 10% or more.
  - (h) Name of insurers from which the intermediary received 30% or more of total commission and remuneration during the past calendar year.

The intermediary must be able to produce proof of contractual relationship with and accreditation by the insurers concerned.

2. Your right to know the impact of the decision you elect to make:
  - (a) The intermediary or insurer dealing with you must inform you of:
    - (i) The premium you may be paying.
    - (ii) The nature and extent of benefits you may receive.
  - (b) If the benefits are linked to the performance of certain assets:  
How much of the premium will go towards the benefit  
To what portfolio will your benefits be linked.
  - (c) The possible impact of this purchase on your finances.
  - (d) The possible impact of this purchase on your other policies (affordability).
  - (e) The possible impact of this purchase on your investment portfolio (affordability).
  - (f) The flexibility of changes you may make to the proposed contract.
  - (g) The contract terms of the product you intend to purchase.

It is very important that you are quite sure that the product or transaction meets your needs and that you feel you have all the information you need to make a decision.

**STATUTORY NOTICE TO POLICYHOLDERS IN TERMS OF  
SECTION 62 OF THE LONG-TERM INSURANCE ACT (1998)**

**(This notice does not form part of the Policy)**

3. Your right when being advised to replace an existing policy.

You may not be advised to cancel a policy to enable you to purchase a new policy or amend an existing policy, unless:

- (a) The intermediary identifies the policy as a replacement policy.
- (b) The implications of cancellation of the policy are disclosed to you such as:
  - (i) The influence on your benefits under the old policy.
  - (ii) The additional costs incurred with the replacement.
- (c) The insurer which issued the original policy will contact you and you are advised to discuss the matter with its representative.

4. Your right to be informed by the Insurer.

The insurer will forward you documentation confirming policy details as discussed in paragraph 2 of this Notice, which will also include:

- (a) The name of the insurer.
- (b) The product being purchased.
- (c) The cost in Rands of the transaction and specifically:
  - (i) the loadings, if any;
  - (ii) the initial expense; and
  - (iii) the amount of commission and other remuneration being paid to the intermediary.
- (d) In the case of policies with an investment element, the ongoing expense and any other fees or charges payable.
- (e) The summary in terms of Section 48 of the Long Term Insurance Act, 1998
- (f) The contact number and address of the Complaints and the Compliance Officers of the insurer

The insurer may disclose the above Information on a generic basis with additional policyholder specific disclosure.

5. Your right to cancel the transaction

In most cases, you have a right to cancel a policy in writing within 30 days after receipt of the summary contemplated in section 48 from the insurer. The same applies to certain changes you may make to a policy.

The insurer is obliged to confirm to you whether you have this right and to explain how to exercise it.

Please bear in mind that you may not exercise if you have already claimed under the policy or if the event, which the policy insures you against, has already happened. If the policy has an investment component, you will carry any investment loss.

**STATUTORY NOTICE TO POLICYHOLDERS IN TERMS OF  
SECTION 62 OF THE LONG-TERM INSURANCE ACT (1998)  
(This notice does not form part of the Policy)**

**6. IMPORTANT WARNING**

It is very important that you are quite sure that the product or transaction meets your needs and that you feel you have all the information you need before making a decision.

It is recommended that you discuss with the intermediary or insurer the possible impact of the proposed transaction on your finances, your other policies or your broader investment portfolio. You should also ask for information about the flexibility of any proposed policy.

Where paper forms are required, it is advisable to sign them only once they are fully completed. Feel free to make notes regarding verbal information, and to ask for written confirmation or copies of documents.

Remember that you may contact either the Long-term Insurance Ombudsman or the Registrar of Long-term Insurance, whose details are set out below, if you have any concerns regarding a product sold to you or advice given to you.

**7. Particulars of Long-term Insurance Ombudsman**

PO Box 45007  
CLAREMONT  
7735  
Tel: (021) 674-0330  
Fax: (021) 674-0951

**8. Particulars of Registrar of Long-term Insurance**

Financial Services Board  
PO Box 36656  
MENLO PARK  
Tel: (012) 428-8000  
Fax: (012) 347-0221