

Prudential Income Portfolios Living Annuity Application Form



Investment Managers: Prudential Portfolio Managers (Pty) Ltd, Reg. No. 1993/04503/07, FAIS licence 615
P.O.Box 23167, Claremont, Cape Town 7735, South Africa. Sharecall no: 0860 105 775, Facsimile: +27 21 683 3592
Administered by: Maitland Fund Services (Pty) Ltd Underwritten by Prudential Portfolio Managers (SA) Life Ltd Registration No. 12/8/00093/001

Are you an existing investor? Yes No If yes, please specify your investor number: _____

Investor Details (of annuitant)

Mr Mrs Miss Other: _____

Surname: _____

First names: _____

ID no.: (Please attach a copy of ID) Date of birth:

Tax no.: Tax office: _____

Postal address: _____

_____ Postal code: _____

Residential address: _____

_____ Postal code: _____

Contact number: Cell:

Fax number: E-mail address: _____

Communication preference

Please communicate with me via: E-mail Postal address Both

Banking Details

The following details will be utilised for regular income payments:

Account holder: _____

Bank: _____ Branch code: Branch name: _____

Account number: Type of account: Current Transmission Savings

Investment details

Total Living Annuity investment: R _____ (minimum investment of R100 000)

Please indicate your transferring fund's preferred method of payment:

- Matured RA Deposit (please deposit into Standard Bank, Claremont, Branch Code: 02 51 09 01, Account no. 07 260 5839)
 Directive 135/Section 14 Electronic Fund Transfer (please attach proof of transfer)
 Preservation/Pension Fund

Transferring Funds:

Registered name of Transferor Fund:	Amount:
_____	R _____
_____	R _____
_____	R _____
	Total R _____

Financial Advisor's initial: _____ Investor's initial: _____

Managed Income Option

Income Level 2.5% 5% 7% 9% (subject to market conditions)

Income frequency Monthly Quarterly Half yearly Yearly

Please note that this is based on the original capital investment less all initial charges.

Please note that monthly income will be paid in arrears. All other frequencies must be paid in advance.

Income is funded via the income distributions from the underlying funds, unless there is insufficient income in which case the balance will be drawn from the underlying capital.

Monthly income: the correct completed application together with the investment funds must reach our offices by the 10th day of the month in order to receive an income the same month.

Income payment date

Please select payment date: 25th day of the month last working day of the month

Tax Details:

Please note: unless a tax directive from SARS is attached, the minimum tax according to PAYE will be deducted for compulsory income payments.

Should you require a higher rate to be deducted, please specify: _____ %

Standard Income Option

Income Level (Minimum 2.5%, Maximum 17,5%)

Income frequency Monthly Quarterly Half yearly Yearly

Please note that this is based on the original capital investment less all initial charges.

Please note that monthly income will be paid in arrears. All other frequencies must be paid in advance.

Income is funded via the regular repurchase of units from the underlying funds.

Monthly income: the correct completed application together with the investment funds must reach our offices by the 10th day of the month in order to receive an income the same month.

Income payment date

Please select payment date: 25th day of the month last working day of the month

Tax Details:

Please note: unless a tax directive from SARS is attached, the minimum tax according to PAYE will be deducted for compulsory income payments.

Should you require a higher rate to be deducted, please specify: _____ %

Financial Advisor's initial: _____

Investor's initial: _____

Choice of funds for Standard Income Option only

Fund Name	% Allocation
Prudential Equity Fund	
Prudential Dividend Maximiser Fund	
Prudential Balanced Fund	
Prudential Inflation Plus Fund	
Prudential High Yield Bond Fund	
Prudential Global Value FoF	
Prudential Global High Yield Bond FoF	
Prudential Global Income Plus FoF	
Prudential Money Market Fund	
Prudential Enhanced SA Property Tracker Fund	
Prudential Enhanced Income Fund	

Beneficiaries

Surname:	<input type="text"/>	Surname:	<input type="text"/>
First names:	<input type="text"/>	First names:	<input type="text"/>
ID no.:	<input type="text"/>	ID no.:	<input type="text"/>
Relationship:	<input type="text"/>	Relationship:	<input type="text"/>
Share %:	<input type="text"/>	Share %:	<input type="text"/>

Should you wish to include additional beneficiaries, please attach a separate sheet.

Consent of spouse to beneficiary nomination (if married in Community of Property)

The consent of the spouse is required where the beneficiary is not the Investor’s spouse, or where the spouse and one or more other persons have been nominated as joint beneficiaries, and

- a) the marriage is in Community of Property, and
- b) the policy forms part of the joint Estate

I hereby give consent to the nomination of the aforementioned beneficiary(ies):

Name of Investor’s spouse

Signature of Investor’s spouse

Financial Advisor’s initial: _____

Investor’s initial: _____

Administration fees

Initial fees	Fee Percentage (VAT exclusive)
Investment Amount	
First R1 000 000	0.25%
More than R1 million	0.00%

Please note: initial fees are not paid on transfers from other insurers in terms of Directive 135A as issued by the Financial Services Board.

Annual fees 0.25%

Managed Income Option: annual fees will be calculated on the market value of the unit trusts, and are levied monthly and deducted from income. Only if there is insufficient income will these fees be deducted from capital.

Standard Income Option: annual fees will be calculated on the market value of the unit trusts, and are levied monthly and deducted proportionally via the sale of units from the underlying funds.

These fees and charges can be amended by Prudential from time to time and Prudential undertakes to provide the investor with the requisite notice with regards to these changes as may be required by legislation. Where applicable the fees/ charges are subject to VAT.

Financial Advisor's fee

The maximum initial fee is 1.5% (VAT exclusive) and the maximum annual fee is 1% (VAT exclusive)

1. Financial Advisor's initial fee: _____ % (VAT will be added to this)
This will be deducted from the capital before the investment is processed.
2. I understand that an annual fee of _____ % (VAT exclusive) will be charged for services rendered on Prudential's behalf and that this service relates to ongoing assistance with regard to the annual revision of income in terms of the investor's financial needs.
I agree to appoint my Financial Advisor to perform this function on Prudential's behalf.

I understand that this fee in the case of the Managed Income Option will be levied against the market value of the investment and deducted monthly from the income generated by the underlying portfolios. Should there be insufficient income the balance will be drawn from the underlying capital. In the case of the Standard Income Option this fee will be levied via the regular sale of units from the underlying funds.

Method of payment

Fees will be paid to the bank account held on file.

Investor's Signatures: _____

Financial Advisor's initial: _____

Investor's initial: _____

Terms and conditions

General

1. This Living Annuity is a long-term policy issued in the name of the investor, by Prudential Portfolio Managers (SA) Life Ltd ("Prudential"). Investments administered by Maitland Fund Services (Pty) Ltd ("Maitland") on behalf of Prudential are subject to these terms and conditions.
2. The investment is accepted on the basis that the details given to Prudential are correct and that the investment amount will be received.
3. To have the first income paid by the end of the same month, Prudential must receive by the 10th day of the month all of the following: (a) the investment monies, and (b) a fully completed application and/or instruction form.
4. The investment is accepted on the basis that the details in respect of the investment given to Prudential are correct and that the funds will be received as indicated.
5. Any investments into unit trust funds are subject to the terms and conditions of the trust deeds of the relevant Unit Trust Management Companies, and will be held in the name of Prudential Portfolio Managers Life Nominees (Pty) Ltd (Registration number 2008/015937) which is an independent nominee company approved by the Financial Services Board.
6. Units will be purchased from the Unit Trust Management Companies at a negotiated initial charge. An annual service fee is levied by the Unit Trust Management Company and deducted from accrued income distributions.
7. Maitland, on behalf of Prudential, shall process all investment instructions in accordance with these terms and conditions. It is recorded that, due to the nature of the business, and in particular as instructions are submitted by facsimile or electronically, there may be instances when Maitland does not process an instruction. Accordingly, the investor undertakes to notify Prudential should they not receive notification from Prudential that the instruction has been processed within 20 days from date of instruction, failing which Prudential shall not be liable for any alleged failure to process the instruction.
8. Tax will be levied on the investment in accordance with the prevailing tax rates as adjusted from time to time by the SARS. The investor is obliged to ensure that any and all tax directives, where applicable, are provided to Maitland.
9. This policy may not be ceded, pledged or hypothecated and is subject to the provisions of section 37 A and B of the Pension Funds Act.

Time periods and administrative processes

1. Prudential reserves the right to accept or reject this application form and any other forms or notices that may be sent to it by the investor and/or the FSP. Prudential's acceptance or rejection is final and Prudential does not entertain any submissions regarding such acceptance or rejection. Prudential will not be liable for any loss that may be suffered if the application form is rejected.
2. This investment is subject to, and Prudential shall process all instructions in accordance with, the terms and conditions and its usual business practices, as amended from time to time by Prudential. These terms and conditions and business practices are contained in the application form and other relevant documents, including the business practice booklet and are available to the investor on request.
3. Any transaction instruction Prudential received from an investor and/or FSP will only be processed if sent on an official Prudential form. Prudential reserves the right to act on any instruction that is not on an official Prudential form, such reservation being solely at the discretion of Prudential and not subject to review or appeal.
4. Prudential shall not be liable for any losses arising from an alleged failure to process an instruction in the event that such instruction has not been received. It remains the investor's/FSP's liability to check that the instruction has been received.
5. Any instruction received while another transaction is in progress will only be processed after the other transaction has been completed.
6. The amount of the annuity income is not guaranteed and is calculated as a percentage of the value of the investment as at the investment anniversary date.
7. The value of the investment to be used in the calculation set out in point 6 above will be that of one business day before the investment anniversary date, which is the date that Prudential first accepted the investment.
8. The annuity income is reviewed annually.
9. Should Prudential not receive specific instructions from the investor regarding the amount or frequency of the annuity income payments the amount of the annuity income or percentage selected will remain the same as the preceding year, provided that the annuity income amounts falls within the regulatory parameters. Where the annuity income amount does not fall within the regulatory parameters then Prudential will adjust the annuity income amount to ensure compliance.
10. Prudential turnaround times are subject to the turnaround times of the Management Companies and should the turnaround times of the Management Companies not be adhered to then the Prudential turnaround times will be similarly affected. Prudential will not be liable for any losses occasioned by the Management Companies' non-compliance with their turnaround times.

Fees

1. Investment instruments are subject to any and all fees as levied by the Management Companies.
2. Prudential and Maitland are entitled to change the fees and charges under this investment (either an increase in existing fees and charges or additional new fees and charges). A notice period of three months will be given prior to any such change.

Financial Advisor's initial: _____

Investor's initial: _____

Terms and conditions

Financial Service Provider (FSP)

1. FSP's are required to be accredited by Prudential.
2. Prudential will not be held responsible, accountable or liable for any loss or damage suffered by the investor due to delays in the processing or rejection of this application form, caused by the fact that the investor's FSP is not FSB licensed or accredited by Prudential.
3. It is the responsibility of the FSP to act within his/her FSP licence. The FSP can be held responsible or liable for loss or damage suffered by the investor resulting from the FSP acting outside of his/her FSB licence.
4. The FSP is responsible for providing the investor with appropriate advice, product and fee information as well as in the business practices and procedures of Prudential.

Declaration by the investor

1. I acknowledge that I am responsible to ensure that Prudential receives any facsimile and confirm with Prudential that they have received a legible instruction. A facsimile confirmation slip will not be proof that Prudential received the facsimile.
2. I accept that I am fully liable for any and all investment risk associated with this investment and acknowledge that I have not relied on any representations made to me by Prudential in whatsoever form.
3. All payments in respect of this investment will be made into my nominated bank account as stated in section 6 of this application form.
4. I warrant that the information contained in this application form and in all the documents, which have been or will be signed by me in connection with this investment whether in my handwriting or not, are true and correct, and that, where this application form is signed in a representative capacity, I have the necessary authority and capacity to do so and that signing this application is within my powers.
5. I understand that this application form, the standard terms and conditions and the business practices of Prudential constitute the entire agreement between Prudential and me and agree to be bound thereto.
6. I warrant to Prudential that I am acting for my own account and that 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 judgement, and upon advice from a FSP as I may deem necessary.
7. I warrant that all monies deposited into the applicable bank account in respect of this investment were obtained from legitimate sources and are not the proceeds of any crime, as defined in the Proceeds of Crime Act 76 of 1996. I further warrant that in making and maintaining such investment, I have complied and will continue to comply with all relevant legislation, including, but not limited to money laundering and the Income Tax Act.
8. Where the investment is a result of a transfer, I have acquainted myself with the actual and potential implications, costs and consequence of such a transfer.
9. I agree that Maitland Fund Services shall, acting as administrator and at its discretion, have the option to pay or collect any amount (provided that I owe said amount to Prudential) via the Automated Clearing Bureau or Electronic Funds Transfer, or by direct debit or credit against my bank by means of a debit or credit note addressed to my bankers.
10. I understand that any variations to the terms of this agreement made by me shall only be binding if accepted in writing by Prudential.
11. I agree that Prudential shall not be responsible for, and shall be indemnified against any tax, duty, levy or other similar impost of whatever nature imposed by any local, provincial, national or other government authority as a result of my participation in this investment or interest in any investment instrument selected by myself. I agree that Prudential will not be held liable for the consequences of market influences and consequent changes in unit prices. I agree that neither the annuity income that may become payable to me, nor the capital value of this investment is guaranteed. I acknowledge that I will be held liable for any tax regardless of the legal vehicle utilised and that I will obtain a tax opinion from a tax consultant where required.
12. In the event that I fail to respond timeously to a ballot conducted on behalf of Maitland Fund Services, I authorise Prudential to vote on my behalf and as per the ballot instruction, either place the investment into the alternate fund indicated or place my investment in a money market account.
13. I agree it is not necessary for Prudential to issue written reports, investment detail and statement of the particular investment, as this information is readily available electronically through the Internet or call centre. Notwithstanding the foregoing, Prudential commits to provide written reports on my request.
14. I have read and signed the appropriate FSP/Investment Instrument mandate where applicable.
15. I hereby consent to Prudential making enquiries of whatsoever nature at any time, for the purpose of verifying the information disclosed in this application and consent to Prudential obtaining any other information concerning me and/or the source of funds from any party whatsoever.
16. I hereby authorise Prudential to invest the investment amount into the income option chosen by me from time to time. Prudential shall ensure that all distributions will be used to pay the income option I have selected.
17. I understand that Prudential will inform me of my annual annuity income parameters at the anniversary of the original commencement date.
18. I hereby authorise Prudential to furnish written reports to my duly appointed FSP.
19. I declare that I have read and understood the contents of this application form and terms and conditions of this investment.

Financial Advisor's initial: _____

Investor's initial: _____

Living Annuity disclosure

1. Prudential will only accept business from a registered FSP. The FSP must ensure that adequate and appropriate information is disclosed to investors to enable them to make informed decisions about the adequacy or otherwise of this investment policy.
2. The FSP should give ongoing advice to an investor for this investment.
3. Unless expressly provided for, the investment returns under this investment policy are not guaranteed and depend on the performance of the fund(s) chosen to back the annuity payments. The assets of this investment policy will be subject to market fluctuations, depending on the underlying investment portfolios selected. The investment can therefore increase or decrease in value.
4. Investors need to ensure that they understand the implications of a downturn in markets on the sufficiency of future annuity payments. Investors must be in a financial position to withstand a reduced income in times of reduced capital or reduced investment returns.
5. It is vital that investors obtain a clear understanding and a risk assessment of their retirement needs so that they understand the consequences of purchasing this investment policy instead of a conventional guaranteed annuity policy.
6. Where this investment policy is an investor's only source of income and he/she requires a pre-tax annuity of more than inflation plus 2% of the capital from the start, the investor should rather consider a different type of pension.
7. Investors should review their lifestyle objectives and income requirements at least annually.
8. The income drawn from this investment policy is taxable at the investor's marginal rate of tax. The investment returns generated by this investment policy are not taxable in terms of current tax legislation. If the investor's beneficiaries elect to take the remaining capital in this investment policy as a lump sum within six months of the investor's death, the lump sum will be subject to tax at the investor's average rate of tax and subject to Estate Duty.
9. This investment policy may be converted into a conventional guaranteed annuity administered by Maitland Fund Services subject to the requirements of the Long-term Insurance Act or other applicable legislation.
10. Ownership of the underlying assets of this investment vests with Prudential, not the investor.

FICA Requirements

1. Copy of ID
2. Proof of banking details (cancelled cheque or bank statement)
3. Proof of residential address (Utility Bill)

Signed at _____ on this the _____ day of _____ 200 _____

Signatures: _____
 Financial Services Provider Investor Legal Guardian

Financial Service Provider (FSP) details

Broker name: _____ Brokerage: _____

Broker Code: _____

Contact telephone number: _____ Cell: _____

I, the undersigned _____ (name) do: _____

1. Declare that I have made the disclosures to the investor required in terms of the Financial Advisory and Intermediary Services Act 37 of 2002 and subordinate legislation thereto.
2. Warrant that I have explained all fees that relate to this investment product to the investor and I understand and accept that the investor may withdraw the authority for payment of the FSP fees to me by instructing Prudential, in writing.
3. Acknowledge that the investor has appointed me to receive the policy documentation which I undertake to forward to the investor immediately on receipt thereof.
4. Agree to respond timeously to a ballot instruction on the investor's investment instruments selected, on behalf of the investor.
5. Acknowledge that I have read the contents of this application form, the terms and conditions of the investment and the declaration by the investor, and as far as they relate to me, agree to be bound to the application form and the terms and conditions.
6. If I am signing this document, I warrant that I have the necessary authority to do so.
7. Agree to assist and advise the investor as regards the investment of the investor's contributions to the Fund.

Financial Services Provider's signature: _____

Financial Advisor's initial: _____ Investor's initial: _____

PRUDENTIAL INCOME PORTFOLIOS LIVING ANNUITY APPLICATION FORM

Contact details

P O Box 23167
Claremont
7735

7th Floor, Protea Place
40 Dreyer Street
Claremont
7708

Tel: 0860 105 775
Fax: +27 21 683 3592

unittrustoperations@prudential.co.za
www.prudential.co.za

Compliance department

Please do not hesitate to contact us if you are not satisfied with this investment or the services from the administrator. A complaint must be submitted to the Compliance Officer.

The contact address of the Compliance Officer is the same as the address above.

The Administrator will acknowledge the complaint in writing and will inform the investor of the contact details of the persons involved in the resolution thereof.

Complaints

If an investor is not satisfied with the response from Prudential Life Nominees (Pty) Ltd or if an investor has a complaint about the advice given by the Financial Advisor, he/she has the right to address his/her complaint in writing to the Ombud for Financial Services Providers:

P O Box 74571
Lynnwood Ridge
0040

Tel: +27 12 470 9080
Fax: +27 12 348 3447
e-mail: info@faisombud.co.za

The Ombud is legally powered to investigate and adjudicate complaints in a fair, economical and expeditious manner.

General Market Information

How did you hear about us? Please tick relevant option:

- Your financial advisor:
- By word of mouth:
- Website:
- TV:
- Magazine:
- Newspaper:
- Internet:
- Eat Out Sponsorship:
- Other: