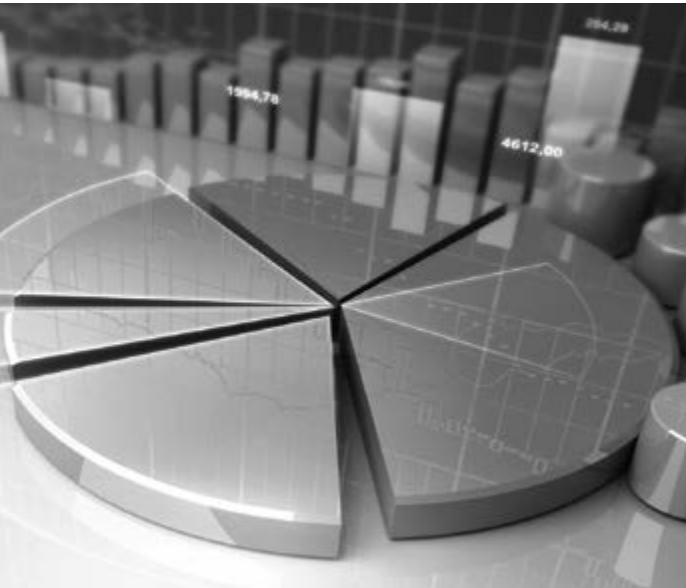


CLIENTÈLE WEALTH PLAN

EFFECTIVE ANNUAL COST



The ASISA (Association for Savings and Investments South Africa) has introduced a standard measure that allows policyholders to compare the effective costs of different investment products. This is known as the Effective Annual Cost.

The Effective Annual Cost (EAC) is a measure which has been introduced to allow you to compare the charges you incur and their impact on investment returns when you invest in different Financial Products. It is expressed as an annualised percentage. The EAC is made up of four components, which are added together, as shown in the table below. The effect of some of the charges may vary, depending on your investment period (i.e. how long you continue to pay your policy). The EAC calculation assumes that an investor (policyholder) terminates (surrenders) his or her investment in the Financial Product (Clientèle Wealth Plan) at the end of the relevant periods shown in the table.

The table below is illustrative and based on an assumed monthly savings premium of R550 on the Clientèle Wealth Plan (such a policy would have a total premium of R568 including R18 for the Earnings Guarantee Benefit)

| IMPACT OF CHARGES | SURRENDER AFTER | | | | |
|------------------------|-----------------|---------|---------|----------|----------|
| | 1 YEAR | 3 YEARS | 5 YEARS | 10 YEARS | 20 YEARS |
| Investment Management* | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% |
| Advice** | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Administration*** | 9.4% | 3.5% | 2.2% | 1.2% | 0.7% |
| Other**** | 37.3% | 10.2% | 4.6% | 0.4% | 0.0% |
| Effective Annual Cost | 48.7% | 15.7% | 8.8% | 3.6% | 2.7% |

* The Investment Management Charge is a reduction in the actual investment return because of investment management charges. The actual reduction in return may vary significantly as it will depend on how the markets perform during your investment in this product. The above assumes an annual investment return of 6%. For the Clientèle Wealth Plan these charges are:

- Clientèle's participation in 10% of net interest, investment income, capital appreciation and/or losses.
- The management charge levied by the external fund manager which is 0.3% of asset value plus 1% of investment returns.
- The Clientèle Management charge of 1% of the Investment Account per annum.

** As the services of an advisor was not engaged, the Advice Management Charge is set to zero.

*** The Administration Charge consists of unallocated premiums.

For the Clientèle Wealth Plan, this will depend on the size of the monthly premium. The unallocated proportion currently ranges from 5% to 10%. Based on the assured savings premium of R550 used in the above calculations, this charge is 5% of each monthly premium you pay. For lower premiums, the charge will be higher.

****Other Charges is a catch-all, which measures other charges that you will incur.

If you surrender within 10 years these are a percentage of the Investment Account (refer to table in policy document) and zero percentage of Investment Account if you surrender after 10 or more years plus R500 Policy Surrender Charge, where the total charge is limited to 30% of the Investment Account.

Notes:

- ***The Effective Annual Cost is an annualised cost, this means the calculation takes into consideration the extra annual return that one needs to earn on the amount after charges to get back to the same closing balance one would have had if there were no charges deducted.***
- ***The values in the table above are for illustrative purposes only based on the following assumptions:***
 - ***An initial monthly savings premium of R550 on the Clientèle Wealth Plan.***
 - ***All future premiums are paid (an Unpaid Premium Charge, currently R33, will be deducted from your Investment Account for every missed premium).***
 - ***There are no partial surrenders during the period.***
 - ***An investment return of 6% per annum (before any charges but net of tax).***
 - ***A 10% annual premium increase.***
- ***The Effective Annual Cost shown above would apply if the above assumptions hold, and you terminate your policy at the end of the period in each case.***
- ***The periods indicated in the table refer to full years i.e. 1 year = 12 months and 12 paid premiums, 3 years = 36 months and 36 paid premiums, 5 years = 60 months and 60 paid premiums, 10 years = 120 months and 120 paid premiums, 20 years = 240 months and 240 paid premiums.***

This means that the longer you keep paying the policy, the lower the Effective Annual Cost will be. For example if you surrender your Wealth Plan after 3 years, the Effective Annual Cost will be 15.7% but if you surrender after 20 years, this cost drops to 2.7%. Remember that you will get the maximum benefit from your Clientèle Wealth Plan if you invest for the full term.

