

Policy Document Endorsement

This endorsement is to supplement your Policy Document and contains important information about investing in a property fund (or a fund with a large percentage of property assets). The details provided here should be read in conjunction with your Policy Document. In the event of a conflict between this Endorsement and your Policy Document, this Endorsement will prevail with respect to a property fund.

Waiting Period for Investments and Switches into a property fund

If you are making a new investment or switching into a property fund, we may, in certain circumstances, need to apply a waiting period. This is due to the high cost and time involved in buying properties. The length of any waiting period will depend on how long it takes us to buy the assets in a property fund. A minimum waiting period of a number of months is likely to apply in this situation. The waiting period could, however, be longer. If a waiting period applies, your money will be invested in a cash fund until the end of the waiting period. It will then be switched from the cash fund into the property fund based on the unit prices at the end of the period. Within 10 days of your investment, if you decide you do not want to proceed with investment in the property fund you may switch to an alternative fund. This switch will be processed using unit prices on the date after your switch request has been received. From 10 days after your investment, any switch request may need to be delayed until the switch into the Property Fund has completed.

If we expect an extended waiting period for investments into a property fund due to delays in selling property, we may not accept new investments and switches into a property fund. Your money will instead be invested in a cash fund and you will be given the option to switch to an alternative fund. This switch will be processed using unit prices on the date after your switch request has been received.

Waiting Period for Disinvestments and Switches out of a property fund

If you are disinvesting, or switching out of, a property fund we may, in certain circumstances, need to apply a waiting period due to the high cost and time involved in selling properties. The length of any waiting period will depend on how long it takes us to sell the assets in the fund. A significant waiting period, for example, a number of years could apply in this situation. If a waiting period applies, your units will be sold from the property fund based on the unit prices at the end of the period and not at the date you gave the instruction to disinvest or switch. Once you have requested a disinvestment or switch out of a property fund, the instruction **cannot** be cancelled during the waiting period. This means you could be waiting for a significant period of time before you are able to encash your investment.

Short-term and frequent switching

Short-term or frequent switching by a policyholder into and out of a property fund may harm the fund's performance. In these circumstances, we may place restrictions on property fund switches with the aim of maintaining fairness between policyholders. Restrictions we may apply to your switches in this situation include, but are not limited to:

- Requiring a minimum period of time between your switches; and
- Limiting the amount that you may switch at any one time.

Property buying and selling costs

In determining the Bid and Offer Prices of a property fund, the Head of Actuarial Function has to take into account the cost of buying or selling assets of the fund. If more policyholders are selling units than buying units, it can lead to a sudden large reduction in prices not related to market movements. The objective of the prices change will be to maintain fairness between policyholders and to meet their Reasonable Expectations. This reduction could be in the region of 10%; this percentage could be higher or lower depending on the costs of buying and selling property at the time.