

REBALANCING OF THE GUARANTEED PORTFOLIO

On 12 May the Management Committee resolved that the Fund Credits of members in the Guaranteed Portfolio (GP) will not automatically be rebalanced annually to the original chosen distribution between the two portfolios and that a member has to complete a new option form in the event where he/she requires a rebalancing.

The latest option form included this message as follows:

I agree

That in the event of a split option the proportions will change over time due to the difference in returns.

Explanation:

A member has R50 000 in his Fund Credit.

He elected to transfer **50%** of this money to the GP, that is **R25 000**.

This R25 000 grows with **10%** to a total of **R27 500**.

The R25 000 that was left in the Standard Portfolio grows with **15%** to a total of **R28 750**.

These two totals will not **automatically** be added together and rebalanced to the original 50-50 split. This means that the amounts in the two portfolios will over time grow further apart.

In the event where a member want rebalancing done, a new option form will have to be submitted. For any further information, please contact the Administrator at (012) 426-0570.