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**AFRICAN PHOENIX INVESTMENTS LIMITED**

Incorporated in the Republic of South Africa

(Registration number 1946/021193/06)

Ordinary share code: AXL ISIN: ZAE000221370

Hybrid instrument code: AXLP ISIN: ZAE000221388

("Phoenix" or "the Company")

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**UPDATE ON STANGEN'S RUN-DOWN CREDIT LIFE PORTFOLIO**

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Shareholders are referred to the 'Condensed audited financial results for the year ended 30 September 2016' ("Results") released on SENS on 21 December 2016 wherein shareholders were advised, *inter alia*, that The Standard General Insurance Company Limited ("Stangen"), the Company's wholly-owned and sole operating subsidiary, had concluded an agreement and financial settlement with African Bank Limited and Residual Debt Services Limited in respect of its run-down credit life portfolio effective 1 April 2016. As set out in the Results, pursuant to the agreement, 100% of the risk and benefit in the credit life portfolio passes to Guardrisk Life Limited ("Guardrisk") until such time as the run-down credit life portfolio is legally transferred to Guardrisk. The aforementioned transfer, which is subject to regulatory approval, is expected mid-2017.

Shareholders are hereby advised that the Deputy Registrar of Long-Term Insurance at the Financial Services Board ("FSB") has given in-principle approval for the transfer of the run-down credit life portfolio of Stangen to Guardrisk. Previously, the credit life portfolio was distributed through Residual Debt Services Limited (under curatorship), formerly African Bank Limited (under curatorship) ("RDS"). RDS was restructured in 2016 and transferred some of its business to the new African Bank Limited.

As a result of the in-principle approval of the transfer, the policyholder communication plan, which is mandated by the FSB, be implemented with effect from 3 March 2017. The communication plan requires certain documents (as set out below) to be made available for inspection at the registered office of Stangen and, *inter alia*, on Stangen's website at [www.stangen.co.za](http://www.stangen.co.za).

Documents available for inspection

- The FSB transfer notification;
- the transfer agreement (entered into between Stangen, African Bank Limited, RDS and Guardrisk);
- the resolutions by each of the boards of directors of Stangen and Guardrisk approving the transfer;
- the Annual Financial Statements of Stangen for the year ended 30 September 2016;
- the Annual Financial Statements of Guardrisk for the year ended 30 June 2016;
- the report by the statutory actuary of Stangen on policyholder protection and fairness;
- the report by the statutory actuary of Guardrisk on policyholder protection and fairness; and
- the policyholder communication notices.

Shareholders are further advised that as a result of the mandatory policyholder communication plan, the audited Annual Financial Statements of Stangen for the year ended 30 September 2016 are also available on the African Phoenix Investments Ltd website at [www.phoenixinvestments.co.za/#investor](http://www.phoenixinvestments.co.za/#investor)

Johannesburg  
3 March 2017

**Sponsor**  
Merchantec Capital