

INVESTMENTS

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General Terms and Conditions for an Individual Investor in a Unit Trust

This document forms part of the Unit Trust application for an individual investor and sets out the terms and conditions that apply to your investment in the Alexander Forbes Investment Unit Trust Scheme and regulates the relationship between you and Alexander Forbes Investments Unit Trusts Limited.

1. Definitions

The following definitions apply to this investment:

Act	The <i>Collective Investment Schemes Control Act, 2002</i> (Act No. 45 of 2002), and the regulations, as amended or replaced from time to time.
Alexander Forbes Investments	Alexander Forbes Investments Unit Trusts Limited (Registration number 2001/015776/06), who has been appointed in terms of the Act, to administer and manage the Alexander Forbes Investments Unit Trust Scheme. Also referred to as “us” or “we”.
Alexander Forbes Investments Limited	Alexander Forbes Investments Limited (Registration number 1997/000595/06), who has been appointed in terms of the Act, to manage the assets of the Alexander Forbes Investments Unit Trust Scheme. Alexander Forbes Investments Limited is an authorised financial services provider (FSP), FAIS licence number 711, and is a registered insurer licensed to conduct life insurance business.
Annual Report	Our ANNUAL REPORT that is available on our website.
Business Day	Any day other than a Saturday, Sunday or official public holiday in the Republic of South Africa.
CRS	The Common Reporting Standard developed by the Organisation for Economic Co-operation and Development (OECD), to provide for the automatic exchange of financial account information. South Africa is a member country, so the CRS requires the South African Revenue Service (SARS) to obtain financial account information from financial institutions and automatically exchange that information with other member countries, on an annual basis.
FATCA	The <i>Foreign Account Tax Compliance Act</i> , which is United States legislation that aims to combat offshore tax evasion, by encouraging transparency and obtaining information on accounts held by U.S. Persons in other countries. As a foreign financial institutions (as defined in FATCA), we are required to provide the United States Internal Revenue Service (IRS) (via SARS) with information about United States account holders, on an annual basis.
Income Tax Act	The <i>Income Tax Act 58 of 1962</i> , as amended from time to time.
Investment Account	The internal account that we use, to keep record of your investment(s) in the portfolios.
Investor	A person who holds a unit in a portfolio – also referred to as “you”.
Minimum Disclosure Document	A short document that contains key information pertaining to each portfolio. Also known as a fact sheet. The latest MINIMUM DISCLOSURE DOCUMENT for each of our portfolios forms part of these terms and conditions, and is available from your financial adviser or on our website.
Net asset value (“NAV”)	The total market value of the underlying assets in the portfolio, including any income accrued, less any permissible deductions from the portfolio. Permissible deductions include brokerage fees, auditor’s fees, bank charges, trustee fees, value added tax, securities transfer tax, other levies and taxes, and the service charge levied by Alexander Forbes Investments.
Participatory Interest (“Unit”)	The equal parts into which a portfolio is divided, which represents a proportionate interest in every underlying asset of the portfolio. Hereafter referred to as “Unit” or “Units”. The number of units in your investment account depends on how much you invest, the market value of the underlying assets in the portfolio and what the unit price is on the day that you buy the units.
Portfolio	A fund of the Alexander Forbes Investments Unit Trust Scheme that is available to you for investment. The cash received from investors is pooled and invested in underlying assets. The investment objective of each portfolio is different. Therefore, the range or type of underlying assets in each portfolio will be different. These portfolios are usually referred to as “unit trusts” or “funds”.

Portfolio Summary	A short document that contains key information on all our portfolios. Our latest PORTFOLIO SUMMARY forms part of these terms and conditions, and is available from your financial adviser, or on our website.
Pricing Date	The day on which the portfolio is valued. The portfolio is valued daily, at the end of the day (18:00).
Trustee	The entity appointed in terms of the law that is responsible to hold the investments in the underlying assets of the portfolios for the benefit of the Investors.
Unit	See the definition of "Participatory Interest".
Unit Price	Unit prices are calculated on a NAV-basis. This means that a price is calculated for each unit, by dividing the NAV of the portfolio by the number of units in issue.
Unit Trust	A collective investment scheme portfolio, in terms of which, two or more investors contribute money or other assets, hold units and share the risk and benefit of investment, in proportion to their units in a portfolio.
U.S. Person	An individual is a U.S. Person, if they are a citizen or resident of the United States.

2. The agreement between you and Alexander Forbes Investments

- 2.1 By signing this document, you enter into a legal agreement with us. The trust deed, application form, terms and conditions, supporting documents and instructions that you have provided to us, and which we have accepted, form part of this agreement. The above documents and instructions will be the only agreement between you and us. No other documents, or oral undertakings, will form part of this agreement.
- 2.2 We may make changes to these terms and conditions, without giving you written notice. If the law requires that notice must be given, before a change may be made, we will give you notice, before making such change. Changes may include changes to the time lines for carrying out transactions, changes to meet the requirements of the law, and other relevant matters. No change will reduce the rights and benefits that you have, in terms of your agreement with us, except where we can make a change, by notice to you, as provided for in this agreement, or in the trust deed, or where the change is due to a change in taxation, legislation or the practice or interpretation of legislation. The latest terms and conditions are available from your financial adviser, or on our website.
- 2.3 We will not waive or change any provision of these terms and conditions, in any way, other than in writing.

3. General information about Alexander Forbes Investments

- 3.1 The Alexander Forbes Investments Unit Trust Scheme is a collective investment scheme registered and approved in terms of the Act, to offer portfolios to investors for investment. We administer the portfolios in terms of a trust deed, which is registered and approved by the regulator. A copy of the trust deed is available for inspection at our registered address.
- 3.2 We are registered as a manager, in terms of the act, and are regulated by the collective investment schemes department of the Financial Sector Conduct Authority (FSCA), and are a subsidiary of Alexander Forbes Limited, and through Alexander Forbes Group Holdings Limited, is a member of the Association for Savings and Investment South Africa (ASISA).
- 3.3 We are an accountable institution, in terms of the *Financial Intelligence Centre Act* ("FICA"), and must identify and verify you, and anyone acting on your behalf, before allowing any transaction in a portfolio. You are required to inform us, if any of your personal details, such as your bank account, residential address and contact details, have changed. An instruction to invest or disinvest from a portfolio may not be transacted immediately, because we have to comply with the requirements and procedures prescribed by the FICA. We will not be responsible for any loss or damage that you suffer, as a result of a delay or failure to give effect to an instruction, because of the FICA requirements and procedures.
- 3.4 FirstRand Bank Limited, acting through RMB Corporate Banking Custody and Trustee Services, is the appointed trustee of the Alexander Forbes Investments Unit Trust Scheme.

4. Important information on Collective Investment Schemes

- 4.1 A collective investment scheme is a scheme, in whatever form, in terms of which members of the public are invited, or permitted, to invest money or other assets in a portfolio, and where two or more investors contribute money or other assets to, and hold a participatory interest in, and the investors share the risk and the benefit of investment, in proportion to their participatory interest in a portfolio of a scheme.
- 4.2 Our portfolios are administered in a scheme, in the form of a unit trust, in which you hold a participatory interest. For more information on our portfolios and the units, refer to the latest portfolio summary, each portfolio's minimum disclosure document, as well as the annual report.
- 4.3 Collective investment schemes are generally medium to long-term investments. The value of participatory interests or the investment may go down as well as up. Past performance is not necessarily a guide to future performance. Alexander Forbes Investments does not provide any guarantee, either with respect to the capital or the return of a portfolio. Collective investment schemes are traded at ruling prices and can engage in borrowing and scrip lending. Collective investment schemes may borrow up to 10% of the market value of the portfolio to bridge insufficient liquidity. Alexander Forbes Investments is allowed to lend out the underlying assets of a collective investment scheme. Forward pricing is used. Collective investment schemes are valued at the end of the day using the latest available prices at close of business. A **SCHEDULE OF FEES AND CHARGES** with maximum commissions (including the Total Expense Ratio (TER), Total Costs (TC) and Total Investment Charges (TIC)) is available on request, or is available on our website. For any given portfolio there may be different classes of participatory interests available for which there are different fees and charges.
- 4.4 The yield on a portfolio that derives its income primarily from interest-bearing instruments (i.e. the bond and income portfolios) is calculated by taking the historic yield into account. The yield on our interest-bearing portfolios is calculated on the last business day of the following months:

Portfolio	Monthly	March	June	September	December
AF Investments Superior Yield Unit Trust	x				
AF Investments Enhanced Income Unit Trust		x	x	x	x
AF Investments Inflation Linked Bond Unit Trust		x	x	x	x
AF Investments Pure Fixed Interest Unit Trust		x		x	
AF Investments Income Unit Trust Fund		x	x	x	x

- 4.5 A fund of funds portfolio is a portfolio that, apart from having assets in liquid form, only invests in other unit trusts, which levy their own charges. This could result in a higher fee structure for the fund of funds.
- 4.6 A feeder fund is a portfolio that, apart from investing in assets in liquid form, invests in a single portfolio of a collective investment scheme, which levies its own charges and which could result in a higher fee structure for the feeder fund.
- 4.7 Certain portfolios may include foreign securities, which may pose additional risks on the portfolio, depending on the jurisdiction. Additional risks that should be considered include, but may not be limited to potential constraints on liquidity and the repatriation of funds, settlement risks, macro-economic risks, political risks, foreign exchange risks, tax risks, and potential limitations on the availability of market information. Fluctuations or movements in exchange rates may cause the value of underlying international investments to go up or down. An investment in a currency other than your own may expose you to a foreign exchange risk.
- 4.8 We have the right to close certain portfolios to new investors in order to manage it more efficiently in accordance with its mandate.
- 4.9 An investment in a portfolio may earn interest and dividends from the underlying assets. If such interest and dividends are more than the expenses in the portfolio, an income distribution is declared. You may be liable for tax on such income distributions. It is your responsibility to ensure that you are familiar with, or take advice, in respect of the tax implications on your investment in the portfolios.
- 4.10 The various portfolios declare income distributions on the last business day of the month, as indicated on the latest portfolio summary, or in each portfolio's latest minimum disclosure document.

5. What does not apply to this agreement?

5.1 Cancellations

Cancellation and cooling-off periods are not applicable to this investment. You may, at any time, sell the units at the unit price then applicable. If you disinvest from the portfolio soon after you invested in the portfolio, the charges you have paid may be more than the growth on the investment. Should this happen, you will not receive the full amount of your original investment.

5.2 Investment guarantees

We do not provide any guarantee on the capital or the return of your investment. You carry the full investment risk and must make sure that you understand the relationship between your investment objectives, the investment and the risk and returns of the investment. Every investment has some degree of risk, and it is possible for you to lose some, or all, of the money that is invested.

5.3 Advice

We will not provide any advice on your investment choices. It is your responsibility to obtain financial advice on your investment choices.

5.4 Certain losses suffered

Alexander Forbes Investments will not be responsible for any losses suffered by you, as a result of:

- financial advice given by your financial adviser
- errors made by a financial product provider
- the investment or market risk of the portfolios
- changes in tax or other legislation
- delays in the processing or the rejection of an application, because your financial adviser is not an authorised financial services provider, or does not have a contract with the administrator
- your financial adviser carrying out duties, which his or her category of financial services provider licence does not allow
- the failure of any networks or electronic or mechanical devices
- Alexander Forbes Investments providing your appointed financial adviser with details about this investment, either via telephone, email, fax or secure website
- Alexander Forbes Investments acting on information sent electronically
- Alexander Forbes Investments acting on incorrect information, where you have failed to notify them of any changes to such information.

6. What transactions can you perform?

6.1 Invest

You may invest in the portfolios, by buying units. You can buy units, by making the following contributions:

- Initial lump sum
- Additional lump sum
- Recurring contributions, by way of debit order

When you invest an initial or additional lump sum, you may phase your investment into your selected portfolios, monthly, over a minimum of three (3) months and a maximum of twenty-four (24) months. If you choose to phase your investment in, your contribution must initially be placed in the AF Investments Superior Yield Unit Trust.

6.2 Switch

You may switch between different portfolios, made available by Alexander Forbes Investments, or between different classes in the same portfolios (if you qualify to invest in that class), by submitting a correctly completed Unit Trust Switch Instruction Form. A switch between different portfolios may result in a capital gain, which may be subject to capital gains tax.

When you switch between two or more portfolios, we need to disinvest units from one portfolio and invest it (buy Units) in another portfolio. We can only invest the money for the switch, when we have received it from the portfolio from which you are disinvesting.

If you wish to transfer your investment to another product provider, you have to sell your units in the portfolio and reinvest the proceeds with the other product supplier. It is your responsibility to understand the implications, costs, investment consequences and any possible tax consequences, if you decide to invest with another product supplier.

6.3 Disinvest

You may, at any time, disinvest all, or part, of the units in your investment account. We will repurchase the disinvested units at the unit price applicable at that date. If you disinvest from the portfolio soon after you invested in the portfolio, the charges you have paid may be more than the growth on the investment. Should this happen, you will not receive the full value of your original investment amount.

If you disinvest a portion of your units from your investment account, and the market value of the remaining units is R2 500 or less, we will disinvest these units and pay you in full and final settlement.

The proceeds from disinvested units will only be paid to you, and will not be paid to third-party bank accounts.

6.4 Regular withdrawals

You may schedule regular withdrawals on a monthly, quarterly, bi-annual or annual basis. If any withdrawal results in the market value of your investment account being R2 500 or less, we will disinvest your remaining units and pay you in full and final settlement.

6.5 Transfer (outright cession)

You may request a transfer of full ownership of some, or all, of your units to another person or legal entity (known as a "cessionary"), by submitting a correctly completed Notification of Outright Cession Form. The cessionary will become the new owner of the units, and you will no longer be able to transact on this investment account. An outright cession may result in a payment of capital gains tax.

6.6 Security cession

You may cede some, or all, of your units, to secure a debt owing to an individual or entity (known as a "cessionary"), by submitting a correctly completed Notification of Security Cession Form. This is not a transfer of full ownership and the cession will merely be noted against the number of units in favour of the cessionary.

7. What are your responsibilities in terms of this agreement?

7.1 You must provide accurate information on all application forms, instructions and other documents.

7.2 You must keep your information up to date. It is your responsibility to inform us of any changes to your tax resident status, your banking details, and/or your contact details, and, where applicable, provide supporting documentation.

7.3 You must make informed financial decisions.

You are responsible to choose your investments, and must carefully consider whether an investment is right for your needs. We will not provide any advice on your investment choices. It is your responsibility to obtain financial advice on your investment choices. You can appoint a financial adviser of your choice, and agree on a fee payable to your financial adviser. Your financial adviser must be an authorised financial adviser, and must be contracted with Alexander Forbes Investments.

Should you decide to remove or replace your financial adviser, you must inform us, by submitting a correctly completed Change of Adviser Form.

7.4 You must select the portfolios and monitor your investments in the portfolios.

You must select one or more portfolios that suit your investment needs, as well as your risk profile, and make sure that it is appropriate for your circumstances. It is not our responsibility to review your investments, in order to ensure that it suits your circumstances.

7.5 You must select your income distribution preference.

Your investment may earn interest and dividends from the underlying assets. If such interest and dividends are more than the expenses in the portfolio, an income distribution is declared. You need to indicate whether you prefer the income distribution to be paid directly into your bank account, or to be reinvested in the portfolio. If you have not indicated your preference, we will reinvest your income distribution in your current portfolio.

7.6 You must provide information on your tax residence, for purposes of FATCA and the CRS.

You must provide information on all the countries in which you are resident for tax purposes, indicate your FATCA and CRS classification status, and complete and sign the Self-Certification for Individual Investor form.

7.7 You must complete the necessary withholding tax declarations (if applicable).

You must read the **UNIT TRUST TAX INFORMATION SHEET**, which explains the taxes applicable to your investment. This document is available from your financial adviser, our website. Where you qualify for a reduced withholding tax rate, you must make sure you complete the required declaration(s) in the application form. If you do not complete the declaration(s), we will not reduce the rate at which we withhold dividend tax and/or withholding tax on interest.

8. Instructions to Alexander Forbes Investments

- 8.1 We must receive correctly completed application forms and notification of deposits before 13:00, for the investment instruction to be carried out on that day. If received after the applicable cut-off times, we will invest the money at the unit price of the next day. The 13:00 cut-off time also applies to disinvestments and switches.
- 8.2 You, or your financial adviser, are responsible for giving us, and our representatives, complete and correct instructions, whether by fax, mail or email, and to make sure that we have received the instructions. We may withhold processing of any unclear, incomplete or ambiguous documents or instructions received from you. The onus is on you, or your financial adviser, to prove that we, or our representatives, have received and carried out any instructions. A fax confirmation, or printed copy of a sent email, will not be regarded as proof (evidence) that we received a document or instruction.
- 8.3 If you pay by debit order, please note that there is a 45-day clearance period. This means that you cannot disinvest units bought and paid by debit order, during this 45-day period.
- 8.4 Debit orders will be deducted on the 1st, 15th or 25th of each month. If the day you have chosen falls on a weekend or a public holiday, the debit order will be applied on the next Business Day.
- 8.5 Timelines for execution of transactions
We will process and complete transactions within the time periods applicable at the time of the transaction. The current time periods are listed in the table.

To ensure efficient handling of your application, it is important that all the initial stated requirements are supplied together with the completed application form. The Client agrees to provide all documentation and information required in terms of the *Financial Intelligence Centre Act, 2017* as amended ("FIC Act"), and understands that Alexander Forbes as an Accountable Institution ("AI") is prohibited from processing any business transactions on the Client's behalf until all such documentation and information has been received as part of its customer due diligence procedures. We may also at any time require additional information to meet our statutory obligation in this regard as part of our due diligence procedure. Your prompt response to our requests, where the information form is incomplete or we have outstanding documentation or both, will assist us to meet your expectations.

Instruction	Cut-off time for receipt of instruction and all requirements	Business Days to process	Business Days to buy or sell	Business Days to value
Contributions	Before 13:00 on day 1	Day 1	Day 1	Day 1
	After 13:00 on day 1	Day 2	Day 2	Day 2
Switches between Alexander Forbes Investments Portfolios ¹	Before 13:00 on day 1	Day 1	Day 1	Day 1
	After 13:00 on day 1	Day 2	Day 2	Day 2
Disinvestments ²	Before 13:00 on day 1	Day 1	Day 1	Day 1
	After 13:00 on day 1	Day 2	Day 2	Day 2

Time periods for other transactions

Phase-ins	All phase-ins will be processed on the 10th of every month. If the 10th is not a business day, then the phase-in will be done on the next business day. Value will be given at the date of the actual transaction. All phase-in instructions, together with all business requirements, need to be received by 13:00 on the 5th business day before the 10th of the month.
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- ¹ When you switch between portfolios, we need to disinvest units from one portfolio and invest it in another. We can only invest the money for the switch, when we have received it from the portfolio from which you are disinvesting.
- ² We will disinvest from your portfolio(s) once you have met all requirements – this normally takes two (2) business days.

9. What are our responsibilities in terms of this agreement?

- 9.1 We must administer the Alexander Forbes Investments Unit Trust Scheme and your investments in portfolios.
- 9.2 We will communicate with you, by way of your chosen communication method. If you have not indicated your preference, you will receive communication by email. If you have not provided an email address, you will receive communication by post.
- 9.3 We will provide you with quarterly statements, and certificates of income and capital gains, for taxation purposes, where applicable. Additional statements are available from your financial adviser, our Contact Centre - 0860 333 316, or our website - www.online.alexanderforbesinvestments.co.za.
- 9.4 We will not disclose your personal information to any person or entity, other than in accordance with your consent, given under the "Protection of Personal Information" section in the application form, or unless we have to disclose such personal information, to give effect to this agreement, to administer your investments, or if we are required by law or court order, to disclose your personal information.

10. Unclaimed assets

10.1 It is your responsibility to keep your information up to date. If we cannot get hold of you using the details you provided, we may request a tracing company, to trace you, after a prescribed period. We will only do this once.

10.2 You confirm that, by providing your personal information, you give us permission to share your personal information with a tracing company, in order for them to help us trace you. You further confirm that, when you provide us with personal information on any other person, they have given you permission to disclose their information to us.

10.3 We will incur any reasonable direct administrative, management and tracing costs, in respect of your unclaimed investment. We will recover such costs from you, by a deduction from the value of your investment, once you have been located.

11. What happens when you die?

11.1 We must be notified of your death, in writing. The notification must include:

- Your investor number
- Your name and identity number
- A certified copy of your death certificate

11.2 Your executor must provide a certified copy of the Letter of Executorship, before we will process any instruction.

12. Charges and deductions

12.1 Permissible deductions

The following costs may be deducted from a portfolio: brokerage fees, auditor's fees, bank charges, trustee fees, value added tax, securities transfer tax, other levies and taxes, and the service charge and performance fee (if any) levied by Alexander Forbes Investments.

12.2 Service charge

We are entitled to levy an annual service charge for the management of a portfolio. This charge is in respect of expenditure incurred and administration performed by Alexander Forbes Investments in the creation, issue, selling, repurchase or cancellation of units. The charge varies per portfolio. For any given portfolio, there may be different classes of units available for which there are different charges. Please refer to the relevant minimum disclosure document for more details.

12.3 Administration charge

We do not levy any initial or ongoing administration charges.

12.4 Switching charge

We do not levy a charge for switching between portfolios.

12.5 Exit or termination charge

We do not levy a charge when you disinvest your units.

12.6 Performance fee

We do not charge a performance fee. Managers of underlying portfolios in a portfolio may charge a performance fee, depending on their mandate and investment performance relative to their benchmark. The manager of that portfolio will recover such fee from the NAV of that portfolio.

12.7 Initial adviser charge

We will deduct from each contribution, the initial adviser charge you have agreed with your financial adviser, in the application form or other acceptable written confirmation. We will deduct, and account, for this in your investment account.

12.8 Ongoing adviser charge

You may agree to pay an additional ongoing adviser charge, to your appointed adviser. We will pay your financial adviser the annual adviser charge, which you have agreed on, in the application form or other acceptable written confirmation. We will deduct, and account, for these charges in your investment account.

The ongoing adviser charge is expressed annually, payable monthly, and charged daily, calculated on the daily market value of the assets. The ongoing adviser charge, agreed on, payable to your appointed financial adviser, is deducted monthly, through the sale of units from the nominated portfolios.

13. Governing Law

Your investment is governed by the laws of the Republic of South Africa. The main legislation applicable is listed below.

Please note that there may be other applicable legislation not listed, and that the legislation listed may be amended or replaced, from time to time.

- Collective Investment Schemes Control Act No. 45 of 2002
- Income Tax Act No.58 of 1962
- Financial Intelligence Centre Act No.38 of 2001
- Financial Advisory and Intermediary Services Act No. 37 of 2002
- Protection of Personal Information Act No. 4 of 2013
- Exchange Control Regulations

Amendments and replacement of legislation, any directives, notices and practice notes will also be taken into consideration.

14. Conflict of interest

Alexander Forbes Investments Limited and/or Alexander Forbes Investments Unit Trusts Limited, and our directors, managers or employees, may have interests or potential interests in the Portfolios, from time to time. The interests of Alexander Forbes Investments Limited, Alexander Forbes Investments Unit Trusts Limited and our directors, managers and employees, are available on request.

Our **CONFLICT OF INTEREST MANAGEMENT POLICY** is available on our website.

15. What to do if you are unhappy

If you are unhappy with any aspect of our service or products, please let us know, as soon as possible, through one of the following channels:

Email: afinvestcontactcentre@alexforbes.com

Telephone: Please address all complaints to our Contact Centre at 0860 333 316

Physical address: Visit us at Alexander Forbes Investments, 115 West Street, Sandown, 2196

Mail: Complaints Management Head Compliance Department

PO Box 786055

Sandton

2146

Our **COMPLAINTS POLICY** and **COMPLAINTS HANDLING PROCEDURE** documents are available on our website.

Alternatively you can send written complaints and supporting documents to:

The Compliance Officer

Alexander Forbes Investments Unit Trusts Limited

PO Box 786055

Sandton

2146

16. Manager details

Alexander Forbes Investments Unit Trusts Limited (**Registration Number:** 2001/015776/06)

Physical address:

115 West Street

Sandown

2196

Postal address:

PO Box 786055

Sandton

2146

Fax Number: +27 (0)11 263 6142

Contact Centre number: 0860 333 316

Transactional email: AFInvestinstructions@alexforbes.com

Website: www.alexforbes.com/za/en/

General queries email: AFinvestcontactcentre@alexforbes.com

Alexander Forbes Investments Unit Trusts Limited is registered as a Manager, in terms of the *Collective Investment Schemes Control Act*, and is a subsidiary of Alexander Forbes Limited, and through Alexander Forbes Group Holdings Limited, is a member of the Association for Savings and Investment SA (ASISA).

17. Trustee details

FirstRand Bank Limited, acting through RMB Trustee Services (The Trustee)

Registration number: 1929/001225/06

Physical address: No. 3 First Place, Corner Jeppe and Simmonds Streets, Johannesburg, 2001

Postal address: PO Box 7713, Johannesburg, 2000

Telephone number: +27 (0) 87 736 1732

Email address: info@rmb.co.za

Website address: www.rmb.co.za

The Trustee is registered as a Trustee, in terms of the *Collective Investment Schemes Control Act*.

18. Investment manager details

Alexander Forbes Investments Limited (**Registration Number:** 1997/000595/06)

Physical address:

115 West Street

Sandown

2196

Postal address:

PO Box 786055

Sandton

2146

FAIS Licence Number: 711

Pension Fund Administration Number: 24/217

Insurer Number: 10/10/1/155

CIS disclosures

General

Collective Investment Schemes (unit trusts) are generally medium to long-term investments, but a hedge fund may have short term strategies and practices. The value of participatory interests (units) or the investment may go down as well as up. Past performance is not necessarily a guide to future performance. Collective investment schemes are traded at ruling prices and can engage in borrowing and scrip lending (i.e. borrowing and lending of assets). Hedge funds trade at ruling prices and prices may fluctuate post publication. Hedge funds can engage in scrip borrowing and scrip lending. The manager does not provide any guarantee, either with respect to the capital or the return of a portfolio. Different classes of participatory interests apply to these portfolios and are subject to different fees and charges. A schedule of all fees and charges, inclusive of VAT and maximum commissions, is available on request from us or from your financial adviser. Forward pricing is used. Hedge funds are CIS with a strategy that allows for leveraging and short-selling strategies. Hedge fund strategies can result in losses greater than the market value of the fund, but investors' losses are limited to the value of the investment or contractual commitments. Hedge funds can also invest in illiquid instruments. While CIS in hedge funds differ from CIS in securities (long-only portfolios) the two may appear similar, as both are structured in the same way, and are subject to the same regulatory requirements. Further risks associated with hedge funds include: investment strategies may be inherently risky; leverage usually means higher volatility; short-selling can lead to significant losses; unlisted instruments might be valued incorrectly; fixed income instruments may be low-grade; exchange rates could turn against the fund; other complex investments might be misunderstood; the client may be caught in a liquidity squeeze; the prime broker or custodian may default; regulations could change; past performance might be theoretical; or the manager may be conflicted. For a detailed description of these risks, please refer to the **HEDGE FUND RISK DISCLOSURE DOCUMENT**, available on the website.

Redemptions

The collective investment scheme may borrow up to 10% of the market value of the portfolio to bridge insufficient liquidity. The ability of the portfolio to repurchase, is dependent upon the liquidity of the securities and cash of the portfolio. A manager may suspend repurchases for a period, subject to regulatory approval, to await liquidity, and the manager must keep the investors informed about these circumstances.

Yields

The yield for bond and income portfolios is historic and is calculated quarterly. The yield for the money market portfolio is calculated daily. The yield is calculated by means of a yield curve, which will be the daily updated average of the Negotiable Certificate of Deposit (NCD) rates that are published by the four major South African banks, namely First National Bank, ABSA Bank, Standard Bank and Nedbank. A compounding formula is applied to the curve, depending on whether the instrument pays interest annually (NACA), semi-annually (NACS), or quarterly (NACQ).

Prices

The latest **PRICES** and TER are published daily in the Business Report (South Africa's National Financial Daily) and are made available on our website.

Performance fees for unit trusts

Performance fees are not levied on the portfolio.

Performance fees for hedge funds

Performance fees are not levied on the portfolio, although they have been provided for. Investors will receive three (3) months' written notice, if performance fees will be levied in the future.

Performance returns

Lump-sum performance returns are being quoted. Income distributions, prior to deduction of applicable taxes, are included in the performance calculations. NAV to NAV figures have been used for the performance calculations, as calculated by the manager at the valuation point defined in the deed, over all reporting periods. Investment performance calculations are available for verification upon request by any person. Reinvestment of income

is calculated on the actual amount distributed per participatory interest, using the ex-dividend date NAV price of the applicable class of the portfolio, irrespective of the actual reinvestment date. The performance is calculated for the fee class. The individual investor performance may differ, as a result of initial fees, the actual investment date, the date of reinvestment and dividend withholding tax. The rate of return is calculated on a total return basis, and the following elements may involve a reduction of the investor's capital: interest rates, economic outlook, inflation, deflation, economic and political shocks or changes in economic policy. Annualised returns are period returns re-scaled to a period of one year. This allows investors to compare returns of different assets that they have owned for different lengths of time. All period returns greater than one year have been annualised. Returns for periods less than one year have not been annualised. A cumulative return is the aggregate amount an investment has gained or lost over time, independent of the period of time involved. Actual annual figures are available to the investor on request.

Valuations and transaction cut-off times for unit trusts

The portfolio is valued daily, at the end of the day (18:00). The withdrawal instruction must be received before 13:00 on the pricing date, failing which, the next pricing date will apply.

Valuations and transaction cut-off times for hedge funds

The Qualified Investor Hedge Funds (QIHFs) are valued on the last day of each calendar month. The Pricing Date is the last day of each calendar month. The withdrawal instruction must be received before 13:00, at least five business days (or shorter, as determined by the Manager) prior to the pricing date, failing which, the pricing date in the following calendar month will apply.

Waiver of rights

Alexander Forbes Investments Limited may not request or induce an investor in any manner to waive any right or benefit conferred on the investor by legislation or accept or act on any such waiver.

Additional information

For additional information on the portfolio, refer to the following documents, available on our website, from your financial adviser, or on request from the manager, free of charge.

Alexander Forbes Investments Unit Trust Scheme

- **APPLICATION FORM FOR LEGAL ENTITIES**
- **APPLICATION FORM FOR INDIVIDUAL INVESTORS**
- **ANNUAL REPORT**
- **FEE AND CHARGES SCHEDULE**
- **QUARTERLY GENERAL INVESTOR REPORT**
- **PORTFOLIO SUMMARY**

Alexander Forbes Investments QI Hedge Fund of Funds

- **APPLICATION FORM FOR LEGAL ENTITIES**
- **APPLICATION FORM FOR INDIVIDUAL INVESTORS**
- **FEE AND CHARGES SCHEDULE**
- **QUARTERLY GENERAL INVESTOR REPORT**

Complaints and conflicts of interest

The **COMPLAINTS HANDLING PROCEDURE**, as well as the **CONFLICTS OF INTEREST MANAGEMENT POLICY**, are available on our website. Associates of the manager may be invested within certain portfolios, and the details thereof are available from the manager.

Closure of the portfolio

The manager has the right to close certain portfolios to new investors, in order to manage them more efficiently, in accordance with their mandates.

Structure of the hedge funds

The QIHFs were established as a collective investment scheme trust arrangement on 26 May 2016, with the conversion process being completed on 01 November 2016. All prior information was in an unregulated environment. The portfolio will not change its investment strategy or investment policy without prior approval from the Financial Sector Conduct Authority and investors. The ballot procedure, as prescribed in CISCA and the Deed, will be followed.

Counterparties and prime brokers

We do not enter into counterparty or prime broker arrangements, but the underlying portfolios may enter into such arrangements. We receive reporting on counterparty exposure levels from the underlying portfolio managers and this information can be provided on request.

Contact details

CIS Manager

Alexander Forbes Investments Unit Trusts Limited

Registration number: 2001/015776/06

Physical address: 115 West Street, Sandown, 2196

Postal address: PO Box 786055, Sandton, 2146

Telephone number: +27 (0)11 505 6000

Email address: afinvestments@alexforbes.com

Website address: www.alexforbes.com/za/en/

Directors:

<https://www.alexforbes.com/za/en/about-us/company-directors>

The manager is registered as a manager of collective investment schemes, in terms of the *Collective Investment Schemes Control Act*. The manager, through Alexander Forbes Group Holdings Limited, is a member of the Association for Savings and Investment South Africa (ASISA).

Trustee, Custodian and Depositary

FirstRand Bank Limited, acting through RMB Trustee Services

Registration number: 1929/001225/06

Physical address: No. 3 First Place, Corner Jeppe and Simmonds Streets, Johannesburg, 2001

Postal address: PO Box 7713, Johannesburg, 2000

Telephone number: +27 (0) 87 736 1732

Email address: info@rmb.co.za

Website address: www.rmb.co.za

The trustee is registered as a trustee of collective investment schemes, in terms of the *Collective Investment Schemes Control Act*.

Investment Manager for unit trusts

Alexander Forbes Investments Limited

Registration number: 1997/000595/06

FSP number: 711

Insurer number: 10/10/1/155

Physical address: 115 West Street, Sandown, 2196

Postal address: PO Box 786055, Sandton, 2146

Telephone number: +27 (0)11 505 6000

Email address: afinvestments@alexforbes.com

Website address: www.alexforbes.com/za/en/

The investment manager is an authorised Financial Services Provider (FSP), as discretionary FSP, in terms of Section 8 of the *Financial Advisory and Intermediary Services Act (FAIS)*, and is a registered insurer licensed to conduct life insurance business. This information is not advice, as defined in FAIS. Please be advised that there may be representatives acting under supervision.

Investment Manager for hedge funds

Alexander Forbes Investments Administration (Pty) Limited

Registration number: 2005/043273/07

FSP number: 27584

Physical address: 115 West Street, Sandown, 2196

Postal address: PO Box 786055, Sandton, 2146

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The investment manager is an authorised Financial Services Provider (FSP), as discretionary FSP, in terms of Section 8 of the *Financial Advisory and Intermediary Services Act (FAIS)*. This information is not advice, as defined in FAIS. Please be advised that there may be representatives acting under supervision.

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