

Collective Investments (Unit Trusts)

A. General Terms and Conditions

NEW INVESTMENT APPLICATIONS

1. Net Asset Value (NAV): Prices are calculated on a NAV basis, which is the total value of all assets in the Portfolio including any income accrual and less any permissible deductions from the Portfolio divided by the number of participatory interests in issue. Permissible deductions include brokerage, Securities Transfer Tax, auditor's fees, bank charges, trustee/custodian fees and the service charge levied by the Manager.

2. Initial Financial Adviser Charges: The initial Financial Adviser charge is deducted from the full investment value and the remaining amount is allocated to the selected investment options. Any additional investment will incur an initial Financial Adviser charge, provided that the applicable Adviser charge is on the application form, should any funds be deposited with an account number as reference without an application form, the investment will be placed with no initial fees. No corrections will be done once the investment has been placed. It is therefore imperative that an application form be submitted with every additional investment should there be a need for initial Financial Adviser charges. The charge is set at a maximum of 3.00% (including VAT) of investments made in the equity portfolios and the asset allocation portfolios, and may range from 0.60% to 1.80% (excluding VAT) in the fixed-interest portfolios.

3. Ongoing Advice Fees: are negotiable to a maximum amount of 1% excluding VAT per annum of the market value of the investment portfolio. The ongoing advice fee is calculated on the daily market value of the investment portfolio, paid to the financial adviser monthly. This is paid in arrears by selling units from the respective investment accounts, thereby reducing the units. STANLIB will facilitate the deduction of the ongoing advice fees as agreed to by your financial adviser and will recover these fees from your investment. It is the responsibility of the Financial Adviser to make sure that the investor is fully informed of all fees applicable under this investment. VAT will be added to fees where applicable".

4. Service Charge (levied monthly incl. VAT): The service charge for the individual portfolios is accrued daily and levied monthly on the market value of the portfolio. Certain portfolios have a performance based service charge which shall be a variable amount that may either increase or decrease, depending on whether the Manager has added or detracted value for the portfolio relative to a passive investment in the portfolio's benchmark. Please refer to the latest fact sheet(s) for more details. The service charge is normally deducted from the income received by the portfolios. The Portfolio Charges document (including Performance Fee Frequently Asked Questions) is available on www.stanlib.com.

5. Performance Fees: Where fees are not accrued daily, the fee accrual is lagged and rolling measurement periods are used, certain participatory interest holders may carry a lower proportion of the performance fee relative to performance enjoyed, whilst other Clients may carry a higher proportion of the performance fee relative to performance enjoyed. Where underlying portfolios charge implicit performance fees (i.e. implicit in their unit prices), participatory interest holders may carry these performance fees regardless of whether the top-tier portfolio or mandate has out-performed its own benchmark. The Portfolio Charges document (including Performance Fee Frequently Asked Questions) is available on www.stanlib.com ("Investment for Individuals" section).

6. Total Expense Ratio: The Total Expense Ratio (TER) of a portfolio is a measure of the portfolio's assets that were relinquished as operating costs expressed as a percentage of the daily average value of the portfolio calculated over a period of usually a financial year. Typical expenses which are deducted from a portfolio include service charges, taxes, trustee fees and audit fees. The TERs can be located on the Fact Sheets and the Portfolio Charges document which is available on www.stanlib.com ("Investment for Individuals" section).

7. Overnight Interest Allocation: Interest earned by STANLIB in its bank account (subscription) on deposits made by you will be added to the investment amount if it takes longer than 1 Business Day, after the receipt of the deposit and/or the fulfilment of any outstanding requirements, to process the transaction. Deposits made on a non-business day (i.e. public holidays, Saturdays and Sundays) will also not attract any interest.

8. Switching: A "switch" involves selling participatory interests (units) in one portfolio and investing the proceeds in another portfolio. The Manager does not normally charge initial Financial Adviser charges twice, other than in the instance where the original entry was into a portfolio with lower charges than the portfolio into which the Client will be investing. Accordingly, the Client will have to pay in the difference in the initial Financial Adviser charges. However, the Client and the Financial Adviser may agree on a different arrangement to that mentioned above, in which case an initial Financial Adviser charge as agreed, between the Client and the Financial Adviser, will be charged on the switch transaction. As costs may change from time to time, please consult with your authorised Financial Adviser.

9. Income Distributions: Income distributions are made at regular intervals for all portfolios. Portfolios either declare distributions monthly, quarterly (31 March, 30 June, 30 September, 31 December), bi-annually (30 June, 31 December), or annually (31 December). These distributions are paid by no later than the last working day of the following month. Please refer to the latest fact sheet(s) for more details.

10. Money Market Portfolios: The price of each participatory interest (unit) is aimed at a constant value for all Money Market Portfolios. The total return to the Client is primarily made up of interest received but, may also include any gain or loss made on any particular instrument. In most cases this will merely have the effect of increasing or decreasing the daily yield, but in an extreme case it can have the effect of reducing the capital value of the portfolio. The minimum transaction amount for this portfolio is R2,000. The initial minimum lump sum investment is R25,000. If the balance of the account is below R2,000, any repurchase instruction will result in the total balance being redeemed. If the balance of the account is above R2,000, any repurchase request below R2,000 will result in the minimum transaction amount of R2,000 being redeemed.

11. Other Fixed Interest Portfolios and Equity Portfolios: Minimum remaining amount on all STANLIB Funds is R2,000.00. The minimum redemption amount on All STANLIB Funds is R2,000, any redemption request below R2,000 will result in the minimum transaction amount of R2,000 being redeemed. If the balance falls below R2,000, after the redemption, instruction will result in the total balance being redeemed.

12. Electronic Transactions: the Client agrees that the Manager shall be entitled to implement all instructions and applications of whatever nature received on their Internet site, by telephone or any other electronic medium and which appear to emanate from the Client. The Manager and/or Financial Adviser is indemnified against any losses, claims or damages arising from acting on such instructions and/or applications, notwithstanding that it may later be proved that any such instruction was not given by the Client. The Client agrees that the electronic records of all instructions and applications processed by/or on behalf of him/her or which purport to be processed on behalf of the Client via the Manager's Internet site, telephone or any other electronic medium shall constitute prima facie proof of the contents of such instructions and applications. STANLIB will not be held responsible for any failure, malfunction or delay of any networks, electronic or mechanical device or any other form of communication used in the submission, acceptance and processing of applications and/or transactions. STANLIB will not be liable to make good or compensate any investor or third party for any damages, losses, claims or expenses resulting there from.

13. Payments: Redemptions, regular income options and income distribution payments can only be made into an account in the name of the Client. No third party or cheque payments will be made.

14. Shari'ah Compliant Portfolios: In terms of Shari'ah Law, the Manager will purify the dividend income earned by automatically deducting all non-permissible income from the total dividend income distribution due to the Client. The income, net of non-permissible income, is then applied according to the Client's further instructions, i.e. either reinvested or paid to the Client's bank account. All non-permissible income deducted will be donated on behalf of Clients to charitable organizations, as directed by the Shari'ah Supervisory Board. Non-permissible



income sources include interest income earned from companies invested in. The quantum of non-permissible income will be determined by the fund manager and approved by Shari'ah Supervisory Board which will typically be a percentage of the total dividend income that accrued to the portfolio, e.g. 5%. For example, the Shari'ah Board determined that 5% of all dividends that accrued to the portfolio are non-permissible. A proportionate amount of the dividend income due to the Client (i.e. 5%) will be deemed to be non-permissible and will be deducted from the total dividend income distribution due to the Client and donated on behalf of the Client to charitable organizations, as directed by the Shari'ah Supervisory Board. Clients must take note that their statements and the statutory tax certificates (I.T. 3 (b)) will indicate the total income distributed to them, net of non-permissible income. It is also important to note that certain permissible income received by the portfolio is deemed to be interest income in terms of the Income Tax Act, as amended from time to time, and will be reflected as such. Clients are accordingly advised to seek appropriate tax advice as to the potential tax consequences they may be subjected to. Clients should note that all income paid by the fund is purified before being paid out to Clients.

15. General

- 15.1. Collective investment schemes in securities are generally medium to long term investments.
- 15.2. The value of participatory interests may go down as well as up and past performance is not necessarily a guide to the future.
- 15.3. An investment in the participations of a collective investment scheme in securities is not the same as a deposit with a banking institution. A Money Market portfolio is not a bank deposit account.
- 15.4. Where exit charges are applicable, participatory interests are redeemed at the net asset value where after the exit charge is deducted and the balance is paid to the Client.
- 15.5. A Portfolio of a collective investment scheme in securities may borrow up to 10% of the market value of the Portfolio to bridge insufficient liquidity as a result of the redemption of participatory interests, and may also engage in scrip lending.
- 15.6. Where different classes of participatory interests apply to certain Portfolios, they would be subject to different charges.
- 15.7. A schedule of charges and maximum charges is available on request from the Manager. Commission and incentives may be paid and if so, would be included in the overall costs. Ongoing commission may be paid to Financial Advisers. Such ongoing commission, if applicable, will be paid by the Manager from the service charge paid to it. Details of such ongoing commission paid by the Manager to the Financial Adviser on record in respect of your investment are available on request from the Manager.
- 15.8. The exposure limit to a single security in certain Portfolios can be greater than is permitted for other Portfolios in terms of the Collective Investment Schemes Control Act, 2002. Details are available from the Manager.
- 15.9. A Fund of Funds Portfolio only invests in other portfolios of collective investment schemes, which levy their own charges, which could result in a higher cost structure for these portfolios.
- 15.10. A Feeder Fund Portfolio only invests in the participatory interests (units) of a single portfolio of a collective investment scheme, apart from assets in liquid form.
- 15.11. The Manager reserves the right to close certain Portfolios from time to time in order to manage them more efficiently. More details are available from the Manager.
- 15.12. The holdings of offshore investments in certain portfolios are subject to current South African Reserve Bank Regulations.
- 15.13. Forward pricing is used.
- 15.14. Fluctuations or movements in exchange rates may cause the value of underlying offshore investments to go up or down.
- 15.15. The Manager undertakes to repurchase participatory interests at the price calculated according to the requirements of the Collective Investment Schemes Control Act, 2002, and on the terms and conditions of the relevant Deeds.
- 15.16. Payment will be made within 14 days of receipt of a valid repurchase form or regular income request. Please note that there is a 21-day clearance period for cheques and direct deposits, a 45-day clearance period for once off and recurring debit orders. A maximum of R1,000,000 can be collected as a once off debit transaction in a 45 day period per bank account.
- 15.17. Any capital gain realised on the disposal of a participatory interest in a collective investment scheme is subject to Capital Gains Tax (CGT).
- 15.18. The Manager is obliged to report on the weighted average cost method for CGT purposes.
- 15.19. All portfolios are valued daily at 15h00, except for fund of funds which are valued at 24h00. For non-money market funds, investments and repurchases will receive the price of the same day if a complete instruction is received prior to 15h00.
- 15.20. For money market funds, investments will receive the price of the following trading day if a complete instruction is received together with investment funds prior to 12h00 on the day of submission, and repurchases will receive the price of the following day if a complete instruction is received prior to 12h00.
- 15.21. The Client confirms that neither the Manager nor any of its staff provided any advice and that the Client has taken particular care to consider whether the investment is appropriate considering the unique investment objectives, financial situation and particular needs.
- 15.22. All bank accounts supplied for the duration of this investment will be verified with the relevant banks prior to the investment being placed.
- 15.23. Conflicts of interest disclosure: the Manager shall, wherever possible avoid situations causing a conflict of interest. Where it is not possible to avoid such conflict: the Manager shall advise the Client, of such conflict in writing at the earliest reasonable opportunity and shall mitigate the conflict of interest in accordance with its Conflict of Interest Management Policy. A copy of this Policy is available on the STANLIB website. The Manager is part of the Standard Bank Group of companies and both the Liberty Agency and SBFC Financial Advisers are permitted to sell various STANLIB Collective Investments (RF) Proprietary Limited products. Stonehouse Capital holds equity interests in various FSP's which may result in an unavoidable conflict of interest. Clients of StoneHouse Capital partners are encouraged to familiarize themselves with the conflict of interest disclosures, as required by their FAIS license, prior to engagement. The Client may at any time terminate the Financial Adviser's appointment. It is the Client's responsibility to advise the Manager of such termination in writing. Upon receipt of such notification The Manager will cease payment of any further service charge to the Financial Adviser. However the Client understands that this will not result in a lower annual service charge as the full service charge will now be paid to the Manager.
- 15.24. Dividends tax: SARS will levy a withholdings tax on dividends at a rate of 20% with effect from 1st April 2017. If you are an exempt entity or if you are liable for dividends tax at a reduced rate then please download and complete the Exemption form or the Reduced Rates form. These forms are available on STANLIB's website. The default rate of 20% will be applied to all Clients if an Exemption from tax or the Reduced rates form is not supplied at the time we receive your Investment application form.
- 15.25. If the Manager receives a deposit and cannot identify the Client within 30 days of deposit, an instruction will be sent to the bank, to return the monies to the bank account where the funds were received from.

16. FICA: The Client agrees to provide all documentation and information required in terms of the Financial Intelligence Centre Act, No. 38 of 2001, and understands that the Manager is prohibited from processing any transactions on the Client's behalf until all such documentation and information has been received unless the FICA submission and declaration has been completed by the Financial Adviser.

17. Statements

- 17.1. Clients in the STANLIB Money Market Fund will receive consolidated statements monthly if the investment value is greater than R25,000. Quarterly statements will be issued to Clients if their investment value fall below R25,000.
- 17.2. All other Clients will receive consolidated statements quarterly.
- 17.3. IT3B and IT3C documents will be sent to Clients by May each year.
- 17.4. A Client can register on STANLIB Online and access statements 24 hours a day in a secured environment.

18. Privacy: It is important to us that you understand how we obtain, process, store, and share your information. This will apply to all the products and/or services which we provide to you, including any products and/or services provided by our affiliates and associates. When you open an investment with us, you give us permission to disclose information for the purposes described herein, including the information of dependents and beneficiaries. You consent to STANLIB collecting, processing, storing, and disclosing this information for the purposes of:

- 18.1. Administering your investment account and processing any instructions on the account.
- 18.2. Communicating with you and your Financial Adviser/ broker.
- 18.3. Providing your information to any entity within Standard Bank Group Limited, including its subsidiaries and affiliates, where you already have a relationship with, or where you have applied for a product or benefit from, such entity. This information will only be shared for the administration of your products or benefits by this entity.
- 18.4. Providing relevant information to a contracted third party who requires the information to provide a service to you for your investment. We will ensure that the third party agrees to keep



your information confidential and appropriately secured.

18.5. Transferring your Personal Information outside the borders of the Republic of South Africa. We will ensure that anyone to whom we pass on your Personal Information agrees to treat your information with the same level of protection as we do.

18.6. Providing information to industry registers such as ASISA, and contracted third parties, such as tracing agents, attorneys, debt collectors and other persons that assist with the enforcement of agreements.

18.7. Providing your information to regulatory authorities, governmental departments, local and international tax authorities and other persons that STANLIB under the law have to share your information with.

18.8. Payment processing for services providers, merchants, banks and other persons that assist with the processing of your payment instructions.

18.9. Assisting law enforcement and fraud prevention agencies and other persons tasked with the prevention and prosecution of crime.

18.10. Persons to whom STANLIB cede their rights or delegate their obligations to under agreements.

18.11. Conducting research or servicing products. Where appropriate, this information will be de-identified such that it cannot be linked back to you personally.

18.12. We undertake solely to collect and process your information as permitted by law. If you feel we have not done so, you have the right to contact us and object.

18.13. We will take reasonable steps to ensure that all Personal Information you provided to us is kept secure and confidential.

18.14. We will keep your Personal Information until such time as we are compelled to delete it, as prescribed by applicable law.

18.15. If we become involved in a proposed or actual merger, acquisition, or any form of sale of assets, we may use and disclose your Personal Information to third parties in connection with the evaluation of the transaction. The surviving company, or the acquiring company in the case of a sale of assets, would have access to your Personal Information, which would continue to be subject to these terms.

18.16. You have the right to request a copy of the Personal Information we hold about you. We are allowed to charge you a fee to provide this information to you.

18.17. You have the right to request that we update, correct, or delete your Personal Information.

19. Collection of Investor information: STANLIB reserves the right to go back to the client for more information if this has been identified during the compliance process. Unless previously provided to STANLIB, please send verified/certified copies of the documents set out below. These are used to verify the identity of the Investor. strictly, only clear, legible copies of identity and other documents will be accepted, the Manager reserves the right to ask for further documentation.

20. Off-Boarding the Investor: STANLIB reserves the right to off-board a client should any aspects of the compliance process deem the client to be of an unacceptable risk. We can only process instructions which are fully complete and accurate, and once the money for the investment reflects in our bank account. We may suspend, delay, or reject your instruction if it does not meet our requirements. You indemnify STANLIB against any loss of any nature which may arise if any money that you pay to a STANLIB bank account is reversed for any reason.

21. Unclaimed Assets: The client acknowledges that it will ensure that STANLIB has their most up to date contact details and takes responsibility to inform STANLIB of any changes in personal information. In the event that the client becomes unreachable or any payment due to the client is rejected by the receiving bank, the client's investment will be regarded as an unclaimed asset. STANLIB will make a concerted effort in contacting the client with unclaimed assets which may result in STANLIB appointing an external tracing company to trace and contact the client in respect of any unclaimed assets. Costs related to tracing and administrating unclaimed assets may be recovered from the client. Unclaimed assets will continue to be invested in the portfolio until such time the assets are claimed or transferred to another portfolio with the Authority's or client's consent.

22. Cooling off rights: Due to the nature of this product, cooling off rights are not applicable to Collective Investment Schemes.

23. Non-residents and Emigrants: Foreign money must be sent to our bank account via Standard Bank International Trade Services swift code SBZAZAJJ and can be transferred in foreign currency or SA Rands. Standard Bank International Trade Services will contact Clients who have sent foreign currency, regarding the conversion date, unless the spot rate or a conversion date is specified with the payment. Clients have 30 days from receipt to convert. The Manager is not responsible for confirming the conversion date or spot rate.

24. Trustees: Standard Chartered Bank, 4 Sandown Valley Crescent, Sandton, 2196, Johannesburg. Telephone: (011) 217 6600.

25. Query Support and Middle Office: STANLIB Compliance and Complaints, PO Box 202, Melrose Arch, 2076 Telephone: 0860 123 003.

26. Complaints: Should the Client wish to lodge a complaint with STANLIB regarding the services being provided, the Client can locate STANLIB's Complaints procedure on www.stanlib.com/contactus/pages/furtherqueries.aspx, alternatively the Client can send an email to rateus@stanlib.com.

27. STANLIB is a member of the Liberty Group of companies. Liberty is a full member of the Association for Savings & Investments South Africa (ASISA).

28. This application form and the relevant trust deed in respect of the STANLIB Collective Investments Scheme will form the agreement between the Client and the Manager. The investment will be administered in terms of the Collective Investment Schemes Control Act, 45 of 2002 (The Act).

29. Contact details: STANLIB Collective Investments (RF) Proprietary Limited Reg. No. 1969/003468/07. 17 Melrose Boulevard, Melrose Arch, 2196 | P O Box 202, Melrose Arch, 2076; T (0)11 448 6000 | F 086 727 7505/+ 27 (0)11 448 6666; E contact@stanlib.com | W www.stanlib.com

30. FAIS Ombudsman details: Block B, Sussex Office Park, 473 Lynwood Road, Pretoria, 0081. Telephone 012 470 9080

ADDITIONAL INVESTMENT APPLICATIONS: TERMS AND CONDITIONS

1. The terms and conditions signed and agreed to in the Investment Application form will remain in force and apply to this transaction. Refer to your Investment application form for the detailed terms and conditions. Alternatively you can request a copy of the terms and conditions from your Financial Adviser or the Contact Centre on 0860 123 003.

2. Some of the terms and conditions are set out in the Investment Application Form and the remainder is set out in this form. The Client agrees to be bound by the terms and conditions as set out in the Investment Application Form as well as those set out in this form. In the event of a conflict between the terms and conditions in the Investment Application Form and the terms and conditions contained in this Additional Investments form, the terms and conditions in this form will apply.

3. The Client agrees to provide all documentation and information in terms of the Financial Intelligence Centre Act, No 38 of 2001, and understand that the Manager is prohibited from processing any transaction on the Client's behalf until all such documentation and information has been received. (Access the STANLIB website on www.stanlib.com to view the applicable FICA requirements).

4. The Manager reserves the right in its sole discretion to reduce or increase the service charges depending on circumstances. it is the Client's responsibility, or where applicable that of the

Client's Financial Adviser, to determine the relevant charge structures applicable to the investment. The charges on the Client's Investment will be reflected in Client's quarterly statements.(For further details please refer to STANLIB online on www.stanlib.com to view the applicable charges).

5. Payment references used for deposits should be according to the requested reference on the Additional investment form. Funds will be allocated if:

5.1. The account number supplied as a payment reference,

5.2. An entity number is supplied and only one UT portfolio exists,

5.3. An ID number was used as a payment reference and only one UT portfolio exists.

6. Money will not be allocated to portfolios if:

6.1. An entity number is supplied as payment reference but multiple UT portfolios exist,

6.2. No Entity or UT account number was supplied.

7. Financial Adviser negotiates the initial charge with the Client, and should depend on the level of professional advise/service rendered. The Manager may at its sole discretion, vary the percentage of the initial charge that it pays to the Financial Adviser.

8. All portfolios are valued daily at 15h00, except for fund of funds which are valued at 24h00. For non-money market funds, investments and repurchases will receive the price of the same day if a complete instruction is received prior to 15h00.

9. For money market funds, investments will receive the price of the same day if a complete instruction is received prior to 12h00, and repurchases will receive the price of the following day if a



complete instruction is received prior to 12h00.

10. Overnight Interest Allocation: Interest earned by STANLIB in its bank account (subscription) on deposits made by you will be added to the investment amount if it takes longer than 1 Business Day, after the receipt of the deposit and/or the fulfilment of any outstanding requirements, to process the transaction. Deposits made on a non-business day (i.e. public holidays, Saturdays and Sundays) will also not attract any interest.

11. Electronic Transactions: the Client agrees that the Manager shall be entitled to implement all instructions and applications of whatever nature received on their Internet site, by telephone or any other electronic medium and which appear to emanate from the Client. The Manager and/or Financial Adviser is indemnified against any losses, claims or damages arising from acting on such instructions and/or applications, notwithstanding that it may later be proved that any such instruction was not given by the Client. The Client agrees that the electronic records of all instructions and applications processed by/or on behalf of him/her or which purport to be processed on behalf of the Client via the Manager's Internet site, telephone or any other electronic medium shall constitute prima facie proof of the contents of such instructions and applications. STANLIB will not be held responsible for any failure, malfunction or delay of any networks, electronic or mechanical device or any other form of communication used in the submission, acceptance and processing of applications and/or transactions. STANLIB will not be liable to make good or compensate any investor or third party for any damages, losses, claims or expenses resulting there from.

12. Privacy: It is important to us that you understand how we obtain, process, store, and share your information. This will apply to all the products and/or services which we provide to you, including any products and/or services provided by our affiliates and associates. When you open an investment with us, you give us permission to disclose information for the purposes described herein, including the information of dependents and beneficiaries. You consent to STANLIB collecting, processing, storing, and disclosing this information for the purposes of:

12.1. Administering your investment account and processing any instructions on the account.

12.2. Communicating with you and your Financial Adviser/ broker.

12.3. Providing your information to any entity within Standard Bank Group Limited, including its subsidiaries and affiliates, where you already have a relationship with, or where you have applied for a product or benefit from, such entity. This information will only be shared for the administration of your products or benefits by this entity.

12.4. Providing relevant information to a contracted third party who requires the information to provide a service to you for your investment. We will ensure that the third party agrees to keep your information confidential and appropriately secured.

12.5. Transferring your Personal Information outside the borders of the Republic of South Africa. We will ensure that anyone to whom we pass on your Personal Information agrees to treat your information with the same level of protection as we do.

12.6. Providing information to industry registers such as ASISA, and contracted third parties, such as tracing agents, attorneys, debt collectors and other persons that assist with the enforcement of agreements.

12.7. Providing your information to regulatory authorities, governmental departments, local and international tax authorities and other persons that STANLIB under the law have to share your information with.

12.8. Payment processing for services providers, merchants, banks and other persons that assist with the processing of your payment instructions.

12.9. Assisting law enforcement and fraud prevention agencies and other persons tasked with the prevention and prosecution of crime.

12.10. Persons to whom STANLIB cede their rights or delegate their obligations to under agreements.

12.11. Conducting research or servicing products. Where appropriate, this information will be de-identified such that it cannot be linked back to you personally.

12.12. We undertake solely to collect and process your information as permitted by law. If you feel we have not done so, you have the right to contact us and object.

12.13. We will take reasonable steps to ensure that all Personal Information you provided to us is kept secure and confidential.

12.14. We will keep your Personal Information until such time as we are compelled to delete it, as prescribed by applicable law.

12.15. If we become involved in a proposed or actual merger, acquisition, or any form of sale of assets, we may use and disclose your Personal Information to third parties in connection with the evaluation of the transaction. The surviving company, or the acquiring company in the case of a sale of assets, would have access to your Personal Information, which would continue to be subject to these terms.

12.16. You have the right to request a copy of the Personal Information we hold about you. We are allowed to charge you a fee to provide this information to you.

12.17. You have the right to request that we update, correct, or delete your Personal Information.

13. FAIS Ombudsman details: Block B, Sussex Office Park, 473 Lynwood Road, Pretoria, 0081. Telephone 012 470 9080.

WITHDRAWAL APPLICATIONS

UNIT TRUSTS WITHDRAWAL: TERMS AND CONDITIONS

1. The terms and conditions signed and agreed to in the investment application form will remain in force and apply to this transaction. Please refer to your investment application form for the detailed terms and conditions. Alternatively you can request a copy of the terms and conditions from your financial adviser or the contact centre on 0860 123 003

2. All portfolios are valued daily at 15h00, except for fund of funds which are valued at 24h00. For non-money market funds, investments and repurchases will receive the price of the same day if a complete instruction is received prior to 15h00.

3. For money market funds:

3.1. Investments will receive the price of the following day if a complete instruction is received prior to 12h00.

3.2. Repurchases will receive the price of the following day if a complete instruction is received prior to 12h00.

3.3. The Manager will endeavour to give clients access to their cash within a period of 2 business days if the client's fully completed redemption request has reached the Manager before 12:00 on any business day. If the balance of the account is below R2,000, any redemption instruction will result in the total balance being redeemed and the account will be closed. If the balance of the account is above R2,000, any redemption request below R2,000 will result in the minimum transaction amount of R2,000 being redeemed.

4. Other Fixed Interest Portfolios and Equity Portfolios: Minimum remaining amount on all STANLIB Funds is R2,000.00. The minimum redemption amount on All STANLIB Funds is R2,000, any redemption request below R2,000 will result in the minimum transaction amount of R2,000 being redeemed. If the balance falls below R2,000, after the redemption, instruction will result in the total balance being redeemed.

5. Minimum remaining amounts apply to redemption instructions unless there is an active debit order. The minimum remaining amount for equity funds is R2,000 and the minimum remaining amount for the STANLIB Equity Fund is R500.

6. Overnight Interest Allocation: Interest earned by STANLIB in its bank account (subscription) on deposits made by you will be added to the investment amount if it takes longer than 1 Business Day, after the receipt of the deposit and/or the fulfilment of any outstanding requirements, to process the transaction. Deposits made on a non-business day (i.e. public holidays, Saturdays and Sundays) will also not attract any interest.

7. Payment will be made as soon as possible but within a maximum period of 14 days of receipt of a valid withdrawal form.

8. Cleared participatory interests (units) will be paid immediately and participatory interests not cleared, will be paid on the clearance date. (A clearance period of 21 calendar days for cheques and 45 calendar days for recurring and once-off debit orders will apply.)

9. Participatory interests arising from a debit order are not available for repurchase until the expiry of 45 days from the debit order transaction dates. If you are repurchasing all participatory interests and have elected to cancel your debit order, the participatory interests relating to uncleared debit order transactions will be paid at the expiry of the 45 day clearance period. If your debit order is to continue, the participatory interests in respect of uncleared debit order transactions will remain in your account at the expiry of the clearing period.

10. An existing debit order will remain in force unless otherwise specified. If a debit order cancellation is indicated, the instruction must reach the Manager two business days prior to the debit order collection date.

11. The proceeds will be transferred electronically to the investor's bank account. Payment to a third party bank account, i.e. an account not in the name of the investor, is not allowed. Payments can only be made to transmission, savings or current accounts.



12. If the investment is ceded, written consent for the transaction/cancellation of the cession must accompany this request.

13. Additional documentation are required if:

13.1 A copy of ID was not previously provided

13.2. Certified/verified FICA documentation was not previously provided

13.3. A client's name has changed since inception

13.4. The client was a minor at investment stage and is a major at redemption stage. The client must provide FICA documentation, bank details and a signed withdrawal form.

14. General:

14.1. The Manager undertakes to redeem participatory interests at the price calculated according to the requirements of the Collective Investment Schemes Control Act, 2002, and in line with the terms and conditions of the relevant Deeds.

14.2. Any capital gain realised on the disposal of a participatory interest in a collective investment scheme is subject to Capital Gains Tax (CGT).

14.3. Ring-fencing is the separation and delayed sale of participatory interests (units) in a collective investment scheme (unit trust). This may be caused by a large sale of participatory interests in a collective investment schemes above certain thresholds. This ensures that the sale of a large number of participatory interests will not force the Manager to sell the underlying investments at a price in the market which could have a negative impact on investors. The Manager may delay the payment or reinvestment of the proceeds of the sale of participatory interests.

14.4. **Electronic Transactions:** the Client agrees that the Manager shall be entitled to implement all instructions and applications of whatever nature received on their Internet site, by telephone or any other electronic medium and which appear to emanate from the Client. The Manager and/or Financial Adviser is indemnified against any losses, claims or damages arising from acting on such instructions and/or applications, notwithstanding that it may later be proved that any such instruction was not given by the Client. The Client agrees that the electronic records of all instructions and applications processed by/on behalf of him/her or which purport to be processed on behalf of the Client via the Manager's Internet site, telephone or any other electronic medium shall constitute prima facie proof of the contents of such instructions and applications. STANLIB will not be held responsible for any failure, malfunction or delay of any networks, electronic or mechanical device or any other form of communication used in the submission, acceptance and processing of applications and/or transactions. STANLIB will not be liable to make good or compensate any investor or third party for any damages, losses, claims or expenses resulting there from.

14.5. **FAIS Ombudsman details:** Block B, Sussex Office Park, 473 Lynwood Road, Pretoria, 0081. Telephone 012 470 9080.

FUNDISA WITHDRAWAL: TERMS AND CONDITIONS

1. The terms and conditions signed and agreed to in the investment application form will remain in force and apply to this transaction. Please refer to your investment application form for the detailed terms and conditions. Alternatively you can request a copy of the terms and conditions from your financial adviser or the contact centre on 0860 123 003

2. All portfolios are valued daily at 15h00, except for fund of funds which are valued at 24h00. For non-money market funds, investments and repurchases will receive the price of the same day if a complete instruction is received prior to 15h00.

3. For money market funds, investments will receive the price of the same day if a complete instruction is received prior to 12h00, and repurchases will receive the price of the following day if a complete instruction is received prior to 12h00.

4. Payment will be made as soon as possible but within a maximum period of 14 days of receipt of a valid withdrawal form.

5. When paying for educational expenses, both the investor savings and grant portion can only be paid for the child/nominated student listed on the Fundisa account. Multiple payment allocations for one child/nominated student is not allowed.

6. If the redemption is for educational purposes, the investor and grant portion will be paid directly to the NSFAS approved institution. If the institution is not NSFAS approved, only the investor portion will be paid to the investor however the investor will forfeit the relevant grant allocation.

7. Cleared participatory interests (units) will be paid immediately and participatory interests not cleared, will be paid on the clearance date. (A clearance period of 21 calendar days for cheques and 45 calendar days for recurring and once-off debit orders will apply.)

8. Participatory interests arising from a debit order are not available for repurchase until the expiry of 45 days from the debit order transaction dates. If you are repurchasing all participatory interests and have elected to cancel your debit order, the participatory interests relating to uncleared debit order transactions will be paid at the expiry of the 45 day clearance period. If your debit order is to continue, the participatory interests in respect of uncleared debit order transactions will remain in your account at the expiry of the clearing period.

9. An existing debit order will remain in force unless otherwise specified. If a debit order cancellation is indicated, the instruction must reach the Manager two business days prior to the debit order collection date.

10. The proceeds will be transferred electronically to the investor's bank account. Payment to a third party bank account, i.e. an account not in the name of the investor, is not allowed.

Payments can only be made to transmission, savings or current accounts.

11. If the investment is ceded, written consent for the transaction/cancellation of the cession must accompany this request.

12. Stop orders are only available to STANLIB and Liberty staff members. The Manager must be advised of a stop order cancellation by the 3rd of the month for the salary run between the 20th and 25th of the current month.

13. Additional documentation are required if: a copy of ID was not previously provided, a certified/verified FICA documentation was not previously provided, a client's name has changed since inception, the client was a minor at investment stage and is a major at redemption stage (the client must provide FICA documentation, bank details and a signed withdrawal form) or if the client's signature is significantly different to the signature on the investment application form, a verified copy of the ID with a specimen signature will be required.

14. **Overnight Interest Allocation:** Interest earned by STANLIB in its bank account (subscription) on deposits made by you will be added to the investment amount if it takes longer than 1 Business Day, after the receipt of the deposit and/or the fulfilment of any outstanding requirements, to process the transaction. Deposits made on a non-business day (i.e. public holidays, Saturdays and Sundays) will also not attract any interest.

15. General

15.1. The Manager undertakes to redeem participatory interests at the price calculated according to the requirements of the Collective Investment Schemes Control Act, 2002, and in line with the terms and conditions of the relevant Deeds.

15.2. Any capital gain realised on the disposal of a participatory interest in a collective investment scheme is subject to Capital Gains Tax (CGT).

15.3. Ring-fencing is the separation and delayed sale of participatory interests (units) in a collective investment scheme (unit trust). This may be caused but a large sale of participatory interests in a collective investment schemes above certain thresholds. This ensures that the sale of a large number of participatory interests will not force the Manager to sell the underlying investments at a price in the market which could have a negative impact on investors. The Manager may delay the payment or reinvestment of the proceeds of the sale of participatory interests.

15.4. **Electronic Transactions:** the Client agrees that the Manager shall be entitled to implement all instructions and applications of whatever nature received on their Internet site, by telephone or any other electronic medium and which appear to emanate from the Client. The Manager and/or Financial Adviser is indemnified against any losses, claims or damages arising from acting on such instructions and/or applications, notwithstanding that it may later be proved that any such instruction was not given by the Client. The Client agrees that the electronic records of all instructions and applications processed by/on behalf of him/her or which purport to be processed on behalf of the Client via the Manager's Internet site, telephone or any other electronic medium shall constitute prima facie proof of the contents of such instructions and applications. STANLIB will not be held responsible for any failure, malfunction or delay of any networks, electronic or mechanical device or any other form of communication used in the submission, acceptance and processing of applications and/or transactions. STANLIB will not be liable to make good or compensate any investor or third party for any damages, losses, claims or expenses resulting there from.

16. **Contact details:** STANLIB Collective Investments (RF) Proprietary Limited Reg. No. 1969/003468/07. Authorised FSP in terms of the FAIS Act, 2002 (Licence No. 26/10/590) 17 Melrose Boulevard, Melrose Arch, 2196 | P O Box 202, Melrose Arch, 2076; T 0860 FUNDISA (3863472), + 27 (0)11 448 6000 | F 086 727 7505/+ 27 (0)11 448 6666; E contact@stanlib.com | W www.stanlib.com

SWITCH PORTFOLIO(S) APPLICATIONS: TERMS AND CONDITIONS



1. Switching

- 1.1 All portfolios are valued daily at 15h00 except for fund of funds which are valued at 24h00.
- 1.2 For non-money market funds, switches will receive the price of the same day if a complete instruction is received prior to 15h00. For money market funds, switches will receive the price of the following working day if a complete instruction is received prior to 12h00.
- 1.3 An existing debit order will remain in force unless otherwise specified.
- 1.4 Certificates issued in respect of participatory interests switched must be returned for cancellation.
- 1.5 If the participatory interests to be switched are subject to a pledge, written consent to the transaction/cancellation of the pledge by the pledgee must accompany this request.
- 1.6 In the case of a change of name/signature(s), a certified copy of the relative document with specimen signatures (new and previous) must accompany this request, unless previously recorded.
- 1.7 If this form is signed under Power of Attorney, a copy of such Power must be attached unless previously recorded.
- 1.8 In all cases where the registered owner is a trust, company or other institution, a copy of the Letter of Authority, Company Resolution or similar is required to support the request.
- 1.9 Clients warrant that they understand the results of switches which, in line with provisions of the Deed of the scheme and the terms and conditions of the portfolio, equate to the renunciation of all rights, title and interest in and to such participatory interests. Where this switch form is signed in a representative capacity, the signatory warrants that they are the authorised representative of the Client and that they have authority to instruct STANLIB to carry out a switch transaction for the Client.
- 1.10 A "switch" involves selling participatory interests (units) in one portfolio and investing the proceeds in another portfolio. The Manager does not normally charge initial manager charges twice, other than in the instance where the original entry was into a portfolio with lower charges than the portfolio into which the Client will be investing. Accordingly, the Client will have to pay in the difference in the initial manager charges. However, the Client and the Financial Adviser may agree on a different arrangement to that above-mentioned, in which case an initial manager charge as agreed, between the Client and the Financial Adviser, will be charged on the switch transaction. As costs may change from time to time, please consult with your authorised Financial Adviser.

2. Overnight Interest Allocation: Interest earned by STANLIB in its bank account (subscription) on deposits made by you will be added to the investment amount if it takes longer than 1 Business Day, after the receipt of the deposit and/or the fulfilment of any outstanding requirements, to process the transaction. Deposits made on a non-business day (i.e. public holidays, Saturdays and Sundays) will also not attract any interest.

3. General

- 3.1 The terms and conditions signed and agreed to in the Investment Application form will remain in force and apply to this transaction. Refer to your Investment application form for the detailed terms and conditions. Alternatively you can request a copy of the terms and conditions from your Financial Adviser or the Contact Centre on 0860 123 003.
- 3.2 Any capital gain realised on the disposal of a participatory interest in a collective investment scheme is subject to Capital Gains Tax (CGT).
- 3.3 The Manager is obliged to report on the weighted average cost method for CGT purposes.
- 3.4 **FAIS Ombudsman details:** Block B, Sussex Office Park, 473 Lynwood Road, Pretoria, 0081. Telephone 012 470 9080.
- 3.5 Standard Trust Limited ("STL") and STANLIB Collective Investments (RF) Proprietary Limited ("the Manager") have concluded a co-named agreement for nine Standard STANLIB co-named collective investment scheme portfolios ("the portfolios") referred to in this form. The Manager retains full legal responsibility for the portfolios and is responsible for ensuring they comply with Cisca requirements. STL, an authorised financial services provider, is responsible for ensuring that customer monies are invested according to the guidelines provided. STL further delegated the investment management responsibilities to STANLIB Multi-Manager Limited, also a discretionary investment manager and authorised financial services provider.
- 3.6 **Electronic Transactions:** the Client agrees that the Manager shall be entitled to implement all instructions and applications of whatever nature received on their Internet site, by telephone or any other electronic medium and which appear to emanate from the Client. The Manager and/or Financial Adviser is indemnified against any losses, claims or damages arising from acting on such instructions and/or applications, notwithstanding that it may later be proved that any such instruction was not given by the Client. The Client agrees that the electronic records of all instructions and applications processed by/on behalf of him/her or which purport to be processed on behalf of the Client via the Manager's Internet site, telephone or any other electronic medium shall constitute prima facie proof of the contents of such instructions and applications. STANLIB will not be held responsible for any failure, malfunction or delay of any networks, electronic or mechanical device or any other form of communication used in the submission, acceptance and processing of applications and/or transactions. STANLIB will not be liable to make good or compensate any investor or third party for any damages, losses, claims or expenses resulting there from.

STATIC DATA UPDATE APPLICATIONS

CHANGE OF FINANCIAL ADVISER - UNIT TRUSTS (COLLECTIVE INVESTMENTS): TERMS AND CONDITIONS

1. **Trustees:** Standard Chartered Bank, 4 Sandown Valley Crescent, Sandton, 2196, Johannesburg. Telephone: (011) 217 6600
2. **Query Support and Middle Office:** STANLIB Compliance and Complaints, PO Box 202, Melrose Arch, 2076 Telephone: 0860 123 003
3. **Complaints:** Should the Client wish to lodge a complaint with STANLIB regarding the services being provided, the Client can locate STANLIB's Complaints procedure on www.stanlib.com/contactus/pages/furtherqueries.aspx, alternatively the Client can send an email to rateus@stanlib.com
4. STANLIB is a member of the Liberty Group of companies. Liberty is a full member of the Association for Savings & Investments South Africa (ASISA).
5. This application form and the relevant trust deed in respect of the STANLIB Collective Investments Scheme will form the agreement between the Client and the Manager. The investment will be administered in terms of the Collective Investment Schemes Control Act, 45 of 2002 (The Act)
6. **Contact details:** STANLIB Collective Investments (RF) Limited Reg. No. 1969/003468/06. 17 Melrose Boulevard, Melrose Arch, 2196 | P O Box 202, Melrose Arch, 2076; T + 27 (0)11 448 6000 | F 086 727 7505/+ 27 (0)11 448 6666; E contact@stanlib.com | W www.stanlib.com
7. **FAIS Ombudsman details:** Block B, Sussex Office Park, 473 Lynwood Road, Pretoria, 0081. Telephone 012 470 9080
8. **STANLIB Compliance details:** STANLIB Compliance and Complaints, PO Box 202, Melrose Arch, 2076 Telephone: 0860 123 003
9. STANLIB Wealth Management Ltd is an authorised Financial Services Provider (FSP No: 590)

CHANGE OF DETAILS - UNIT TRUSTS (COLLECTIVE INVESTMENTS): TERMS AND CONDITIONS

1. Electronic Transactions: the Client agrees that the Manager shall be entitled to implement all instructions and applications of whatever nature received on their Internet site, by telephone or any other electronic medium and which appear to emanate from the Client. The Manager and/or Financial Adviser is indemnified against any losses, claims or damages arising from acting on such instructions and/or applications, notwithstanding that it may later be proved that any such instruction was not given by the Client. The Client agrees that the electronic records of all instructions and applications processed by/on behalf of him/her or which purport to be processed on behalf of the Client via the Manager's Internet site, telephone or any other electronic medium shall constitute prima facie proof of the contents of such instructions and applications. STANLIB will not be held responsible for any failure, malfunction or delay of any networks, electronic or mechanical device or any other form of communication used in the submission, acceptance and processing of applications and/or transactions. STANLIB will not be liable to make good or compensate any investor or third party for any damages, losses, claims or expenses resulting there from.

2. General

- 2.1. The terms and conditions signed and agreed to in the Investment Application form will remain in force and apply to this transaction. Refer to your Investment application form for the detailed terms and conditions. Alternatively you can request a copy of the terms and conditions from your Financial Adviser or the Contact Centre on 0860 123 003
- 2.2. The Manager will endeavour to process a change of details instruction within a period of 48-hours, provided that there are no outstanding administrative issues between the Manager



AD HOC APPLICATIONS

CESSION NOTIFICATION - UNIT TRUSTS (COLLECTIVE INVESTMENTS): TERMS AND CONDITIONS

1. If the cedent is a Trust, Company, Close Corporation, other juristic person or natural person acting for the Cedent, the signatory must submit written proof of this authority to effect this Cession. The Manager does not accept responsibility for the validity of this Cession. In the case of an absolute cession, the Cessionary must complete the relevant application form.
2. Please forward certified/verified copies of business requirement documents if not already on file.
3. The Cessionary agrees to provide all documentation and information required in terms of the Financial Intelligence Centre Act, No. 38 of 2001, and understands that the Manager is prohibited from processing transactions on the Client's behalf until all such documentation and information has been received. (Access the STANLIB website on www.stanlib.com to view the applicable FICA requirements).
4. The Client understands that all material facts must be accurately and properly disclosed and the accuracy and completeness of all information provided by or on behalf of the Client, is the Client's own responsibility. The Client understands that no FSP may request the Client to sign any written or printed form or document unless all details required to be inserted thereon by the Client or on behalf of the Client have already been inserted.

ATM LINKING REQUEST - UNIT TRUSTS (COLLECTIVE INVESTMENTS): TERMS AND CONDITIONS

1. Electronic Transactions: the Client agrees that the Manager shall be entitled to implement all instructions and applications of whatever nature received on their Internet site, by telephone or any other electronic medium and which appear to emanate from the Client. The Manager and/or Financial Adviser is indemnified against any losses, claims or damages arising from acting on such instructions and/or applications, notwithstanding that it may later be proved that any such instruction was not given by the Client. The Client agrees that the electronic records of all instructions and applications processed by/or on behalf of him/her or which purport to be processed on behalf of the Client via the Manager's Internet site, telephone or any other electronic medium shall constitute prima facie proof of the contents of such instructions and applications. STANLIB will not be held responsible for any failure, malfunction or delay of any networks, electronic or mechanical device or any other form of communication used in the submission, acceptance and processing of applications and/or transactions. STANLIB will not be liable to make good or compensate any investor or third party for any damages, losses, claims or expenses resulting there from.

2. General

2.1. The terms and conditions signed and agreed to in the Investment Application form will remain in force and apply to this transaction. Refer to your Investment application form for the detailed terms and conditions. Alternatively you can request a copy of the terms and conditions from your Financial adviser or the Contact Centre on 0860 123 003. Alternatively you can request a copy of the terms and conditions from your Financial adviser or the Contact Centre on 0860 123 003

2.2. The Manager will endeavour to process a change of details instruction within a period of 48-hours, provided that there are no outstanding administrative issues between the Manager and the Client.

B1. Product Specific: Terms and Conditions

TAX-FREE SAVINGS ACCOUNT APPLICATION: TERMS AND CONDITIONS

1. Net Asset Value (NAV): Prices are calculated on a NAV basis, which is the total value of all assets in the Portfolio including any income accrual and less any permissible deductions from the Portfolio divided by the number of participatory interests in issue. Permissible deductions include brokerage, Securities Transfer Tax, auditor's fees, bank charges, trustee/custodian fees and the service charge levied by the Manager.

2. Initial Financial Adviser Charges: The initial Financial Adviser charge is deducted from the full investment value and the remaining amount is allocated to the selected investment options. Any additional investment will incur an initial Financial Adviser charge. The charge is set at a maximum of 3.00% (excluding VAT) of investments made in the equity portfolios and the asset allocation portfolios, and may range from 0.60% to 1.80%(excluding VAT) in the fixed-interest portfolios.

3. Service Charge (levied monthly incl. VAT): The service charge for the individual portfolios is accrued daily and levied monthly on the market value of the portfolio. Please refer to the latest fact sheet(s) for more details. The service charge is normally deducted from the income received by the portfolios.

4. Total Expense Ratio: The Total Expense Ratio (TER) of a portfolio is a measure of the portfolio's assets that were relinquished as operating costs expressed as a percentage of the daily average value of the portfolio calculated over a period of usually a financial year. Typical expenses which are deducted from a portfolio include service charges, trustee fees and audit fees. The TERs can be located on the Fact Sheets.

5. Electronic Transactions: the Client agrees that the Manager shall be entitled to implement all instructions and applications of whatever nature received on their Internet site, by telephone or any other electronic medium and which appear to emanate from the Client. The Manager and/or Financial Adviser is indemnified against any losses, claims or damages arising from acting on such instructions and/or applications, notwithstanding that it may later be proved that any such instruction was not given by the Client. The Client agrees that the electronic records of all instructions and applications processed by/or on behalf of him/her or which purport to be processed on behalf of the Client via the Manager's Internet site, telephone or any other electronic medium shall constitute prima facie proof of the contents of such instructions and applications. STANLIB will not be held responsible for any failure, malfunction or delay of any networks, electronic or mechanical device or any other form of communication used in the submission, acceptance and processing of applications and/or transactions. STANLIB will not be liable to make good or compensate any investor or third party for any damages, losses, claims or expenses resulting there from.

6. General

6.1. Collective investment schemes in securities are generally medium to long term investments

6.2. The value of participatory interests may go down as well as up and past performance is not necessarily a guide to the future.

6.3. An investment in the participatory interests of a collective investment scheme in securities is not the same as a deposit with a banking institution.

6.4. Where exit charges are applicable, participatory interests are redeemed at the net asset value where after the exit charge is deducted and the balance is paid to the Client.

6.5. A Portfolio of a collective investment scheme in securities may borrow up to 10% of the market value of the Portfolio to bridge insufficient liquidity as a result of the redemption of participatory interests, and may also engage in scrip lending.

6.6. Where different classes of participatory interests apply to certain Portfolios, they would be subject to different charges.

6.7. A schedule of charges and maximum charges is available on request from the Manager. Commission and incentives may be paid and if so, would be included in the overall costs.

Ongoing commission may be paid to Financial Advisers. Such ongoing commission, if applicable, will be paid by the Manager from the service charge paid to it. Details of such ongoing commission paid by the Manager to the Financial Adviser on record in respect of your investment are available on request from the Manager.

6.8. The exposure limit to a single security in certain Portfolios can be greater than is permitted for other Portfolios in terms of the Collective Investment Schemes Control Act, 2002.

Details are available from the Manager.

6.9. A Fund of Funds Portfolio only invests in other portfolios of collective investment schemes, which levy their own charges, which could result in a higher cost structure for these portfolios.

6.10. A Feeder Fund Portfolio only invests in the participatory interests (units) of a single portfolio of a collective investment scheme, apart from assets in liquid form.

6.11. The Manager reserves the right to close certain Portfolios from time to time in order to manage them more efficiently. More details are available from the Manager.

6.12. The holdings of offshore investments in certain portfolios are subject to current South African Reserve Bank Regulations.



- 6.13. Forward pricing is used.
- 6.14. Fluctuations or movements in exchange rates may cause the value of underlying offshore investments to go up or down.
- 6.15. The Manager undertakes to repurchase participatory interests at the price calculated according to the requirements of the Collective Investment Schemes Control Act, 2002, and on the terms and conditions of the relevant Deeds.
- 6.16. Payment will be made within 7 days of receipt of a valid repurchase form or regular income request. Please note that there is a 21-day clearance period for cheques and direct deposits, a 45-day clearance period for once off and recurring debit orders. A maximum of R33 000.00 can be collected as a once off debit transaction.
- 6.17. All portfolios are valued daily at 15h00, except for fund of funds which are valued at 24h00. For non-money market funds, investments and repurchases will receive the price of the same day if a complete instruction is received prior to 15h00.
- 6.18. All portfolios are valued daily at 15h00, except for fund of funds which are valued at 24h00. For money market funds, investments will receive the price of the following trading day if a complete instruction is received together with investment funds prior to 12h00 on the day of submission, and repurchases will receive the price of the following day if a complete instruction is received prior to 12h00.
- 6.19. The Client confirms that neither the Manager nor any of its staff provided any advice and that the Client has taken particular care to consider whether the investment is appropriate considering the unique investment objectives, financial situation and particular needs.
- 6.20. All bank accounts supplied for the duration of this investment will be verified with the relevant banks prior to the investment being placed.
- 6.21. Conflicts of interest disclosure: the Manager shall, wherever possible avoid situations causing a conflict of interest. Where it is not possible to avoid such conflict: the Manager shall advise the Client, of such conflict in writing at the earliest reasonable opportunity and shall mitigate the conflict of interest in accordance with its Conflict of Interest Management Policy. A copy of this Policy is available on the STANLIB website. The Manager is part of the Standard Bank Group of companies and both the Liberty Agency and SBFC financial Advisers are permitted to sell various STANLIB Collective Investments (RF) Proprietary Limited products. Stonehouse Capital holds equity interests in various FSP's which may result in an unavoidable conflict of interest. Clients of StoneHouse Capital partners are encouraged to familiarize themselves with the conflict of interest disclosures, as required by their FAIS license, prior to engagement. The Client may at any time terminate the Financial Adviser's appointment. It is the Client's responsibility to advise the Manager of such termination in writing. Upon receipt of such notification The Manager will cease payment of any further service charge to the Financial Adviser. However the client understands that this will not result in a lower annual service charge as the full service charge will now be paid to the Manager.
- 6.22. No repurchases may be made into the bank account of a third party. Where the client is a minor repurchases may only be made into a bank account in the minor's name.
- 6.23. If the Manager receives a deposit and cannot identify the client within 30 days of deposit, an instruction will be sent to the bank, to return the monies to the bank account where the funds were received from.

7. FICA: The Client agrees to provide all documentation and information required in terms of the Financial Intelligence Centre Act, No. 38 of 2001, and understands that the Manager is prohibited from processing any transactions on the Client's behalf until all such documentation and information has been received unless the FICA submission and declaration has been completed by the Financial Adviser.

8. Statements

- 8.1. Clients in the STANLIB Money Market Fund will receive consolidated statements monthly if the investment value is greater than R25 000. Quarterly statements will be issued to clients if their investment value fall below R25 000.
- 8.2. All other Clients will receive consolidated statements quarterly.
- 8.3. IT3B and IT3C documents will be sent to Clients by May each year.
- 8.4. A Client can register on STANLIB Online and access statements 24 hours a day in a secured environment

9. Collection of Investor information: STANLIB reserves the right to go back to the client for more information if this has been identified during the compliance process. Unless previously provided to STANLIB, please send verified/certified copies of the documents set out below. These are used to verify the identity of the Investor. strictly, only clear, legible copies of identity and other documents will be accepted, the Manager reserves the right to ask for further documentation.

10. Off-Boarding the Investor: STANLIB reserves the right to off-board a client should any aspects of the compliance process deem the client to be of an unacceptable risk. We can only process instructions which are fully complete and accurate, and once the money for the investment reflects in our bank account. We may suspend, delay, or reject your instruction if it does not meet our requirements. You indemnify STANLIB against any loss of any nature which may arise if any money that you pay to a STANLIB bank account is reversed for any reason.

11. Unclaimed Assets: The client acknowledges that it will ensure that STANLIB has their most up to date contact details and takes responsibility to inform STANLIB of any changes in personal information. In the event that the client becomes unreachable or any payment due to the client is rejected by the receiving bank, the client's investment will be regarded as an unclaimed asset. STANLIB will make a concerted effort in contacting the client with unclaimed assets which may result in STANLIB appointing an external tracing company to trace and contact the client in respect of any unclaimed assets. Costs related to tracing and administering unclaimed assets may be recovered from the client. Unclaimed assets will continue to be invested in the portfolio until such time the assets are claimed or transferred to another portfolio with the Authority's or client's consent.

12. Cooling off rights: Due to the nature of this product, cooling off rights are not applicable to Collective Investment Schemes.

13. Trustees: Standard Chartered Bank, 4 Sandown Valley Crescent, Sandton, 2196, Johannesburg. Telephone: (011) 217 6600

14. Query Support and Middle Office: STANLIB Compliance and Complaints, PO Box 202, Melrose Arch, 2076 Telephone: 0860 123 003

15. Complaints: Should the Client wish to lodge a complaint with STANLIB regarding the services being provided, the Client can locate STANLIB's Complaints procedure on www.stanlib.com/Contactus/Pages/FurtherQueries, alternatively the Client can send an email to rateus@stanlib.com

16. STANLIB is a member of the Liberty Group of companies. Liberty is a full member of the Association for Savings & Investments South Africa (ASISA).

17. This application form and the relevant trust deed in respect of the STANLIB Collective Investments Scheme will form the agreement between the investor and the Manager. The investment will be administered in terms of the Collective Investment Schemes Control Act, 45 of 2002 (The Act)

18. Contact details: STANLIB Collective Investments (RF) Proprietary Limited (Reg. No. 1969/003468/07). 17 Melrose Boulevard, Melrose Arch, 2196 | P O Box 202, Melrose Arch, 2076; T + 27 (0)11 448 6000 | F 086 727 7505/+ 27 (0)11 448 6666; E contact@stanlib.com | W www.stanlib.com.

19. Privacy: It is important to us that you understand how we obtain, process, store, and share your information. This will apply to all the products and/or services which we provide to you, including any products and/or services provided by our affiliates and associates. When you open an investment with us, you give us permission to disclose information for the purposes described herein, including the information of dependents and beneficiaries. You consent to STANLIB collecting, processing, storing, and disclosing this information for the purposes of:

- 19.1. Administering your investment account and processing any instructions on the account.
- 19.2. Communicating with you and your Financial Adviser/ broker.
- 19.3. Providing your information to any entity within Standard Bank Group Limited, including its subsidiaries and affiliates, where you already have a relationship with, or where you have applied for a product or benefit from, such entity. This information will only be shared for the administration of your products or benefits by this entity.
- 19.4. Providing relevant information to a contracted third party who requires the information to provide a service to you for your investment. We will ensure that the third party agrees to keep your information confidential and appropriately secured.
- 19.5. Transferring your Personal Information outside the borders of the Republic of South Africa. We will ensure that anyone to whom we pass on your Personal Information agrees to treat your information with the same level of protection as we do.
- 19.6. Providing information to industry registers such as ASISA, and contracted third parties, such as tracing agents, attorneys, debt collectors and other persons that assist with the enforcement of agreements.
- 19.7. Providing your information to regulatory authorities, governmental departments, local and international tax authorities and other persons that STANLIB under the law have to share your information with.
- 19.8. Payment processing for services providers, merchants, banks and other persons that assist with the processing of your payment instructions.



- 19.9. Assisting law enforcement and fraud prevention agencies and other persons tasked with the prevention and prosecution of crime.
- 19.10. Persons to whom STANLIB cede their rights or delegate their obligations to under agreements.
- 19.11. Conducting research or servicing products. Where appropriate, this information will be de-identified such that it cannot be linked back to you personally.
- 19.12. We undertake solely to collect and process your information as permitted by law. If you feel we have not done so, you have the right to contact us and object.
- 19.13. We will take reasonable steps to ensure that all Personal Information you provided to us is kept secure and confidential.
- 19.14. We will keep your Personal Information until such time as we are compelled to delete it, as prescribed by applicable law.
- 19.15. If we become involved in a proposed or actual merger, acquisition, or any form of sale of assets, we may use and disclose your Personal Information to third parties in connection with the evaluation of the transaction. The surviving company, or the acquiring company in the case of a sale of assets, would have access to your Personal Information, which would continue to be subject to these terms.
- 19.16. You have the right to request a copy of the Personal Information we hold about you. We are allowed to charge you a fee to provide this information to you.
- 19.17. You have the right to request that we update, correct, or delete your Personal Information.
- 20. FAIS Ombudsman details:** Block B, Sussex Office Park, 473 Lynwood Road, Pretoria, 0081. Telephone 012 470 9080.

FUNDISA APPLICATION: TERMS & CONDITIONS

- 1. Electronic Transactions:** the Client agrees that the Manager shall be entitled to implement all instructions and applications of whatever nature received on their Internet site, by telephone or any other electronic medium and which appear to emanate from the Client. The Manager and/or Financial Adviser is indemnified against any losses, claims or damages arising from acting on such instructions and/or applications, notwithstanding that it may later be proved that any such instruction was not given by the Client. The Client agrees that the electronic records of all instructions and applications processed by/or on behalf of him/her or which purport to be processed on behalf of the Client via the Manager's Internet site, telephone or any other electronic medium shall constitute prima facie proof of the contents of such instructions and applications. STANLIB will not be held responsible for any failure, malfunction or delay of any networks, electronic or mechanical device or any other form of communication used in the submission, acceptance and processing of applications and/or transactions. STANLIB will not be liable to make good or compensate any investor or third party for any damages, losses, claims or expenses resulting there from.
- 2. Net Asset Value (NAV):** Prices are calculated on a NAV basis, which is the total value of all assets in the Portfolio including any income accrual and less any permissible deductions from the Portfolio divided by the number of participatory interests in issue. Permissible deductions include brokerage, STT, auditor's fees, bank charges, trustee/custodian fees and the service charge levied by the Manager.
- 3. Annual Service Charge (levied monthly incl. VAT):** The annual service charge is accrued daily and levied monthly on the market value of the portfolio. The annual service charge is normally deducted from the income received by the portfolio.
- 4. Income Distributions:** Income distributions in terms of Fundisa will automatically be reinvested in the applicable account.
- 5. Grant Allocation and Transfer:** The grant allocation is restricted to a maximum of R600 per child/nominated student per year, which means any transfer of grant between children/nominated student has to meet this restriction. Any grant transfer to a NSFAS recognised tertiary education centre has to be done with a transfer of the corresponding investor money. When paying for educational expenses, both the investor savings and grant portion can only be paid for the child/nominated student listed on the Fundisa account. Multiple payment allocations for one child/nominated student are NOT allowed.
- 6. General:** The Fundisa Fund is not a bank deposit, but a collective investment scheme (unit trust) which is generally a medium to long term investment. The value of your investment may go down as well as up during the period of investment. Past performance is not necessarily a guide to future performance. Fundisa is traded at a price that is valued in terms of law, at the end of the day for that same day. Fundisa may borrow money and lend out some of its assets to earn more income. If any commission or incentives are paid, it will be included in the costs disclosed to you. The Fundisa Fund must be administered in terms of law. You can get information on what the law says from the place where you make your investment. The Manager of your investment is STANLIB Collective Investments (RF) Proprietary Limited who is a member of the Association for Savings and Investment of South Africa (ASISA). If you are not satisfied with the manner in which your account is managed, you may contact the Association for Savings and Investment of South Africa on 011 325 6223 or send an email to info@asisa.co.za for assistance. The proceeds from Fundisa can only be used at public tertiary institutions and FET colleges that are recognised by NSFAS. The learner must start studying before the age of 35.
- 7.** If the Manager receives a deposit and cannot identify the client within 30 days of deposit, an instruction will be sent to the bank, to return the monies to the bank account where the funds were received from.
- 8.** All portfolios are valued daily at 15h00, except for fund of funds which are valued at 24h00. For non-money market funds, investments and repurchases will receive the price of the same day if a complete instruction is received prior to 15h00.
- 9.** For money market funds, investments will receive the price of the same day if a complete instruction is received prior to 12h00, and repurchases will receive the price of the following day if a complete instruction is received prior to 12h00.
- 10.** The manager has the right to close any account, if after 2 years the investor has less than R40 in their Fundisa account.
- 11. Conflicts of Interest Disclosure**
- 11.1 The Manager shall, wherever possible avoid situations causing a conflict of interest. Where it is not possible to avoid such conflict: The Manager shall advise the Client, of such conflict in writing at the earliest reasonable opportunity and shall mitigate the conflict of interest in accordance with its Conflict of Interest Management Policy. A copy of this Policy is available on the STANLIB website.
- 11.2 STANLIB is part of the Standard Bank Group of companies and both the Liberty Agency and SBFC intermediaries are permitted to sell various STANLIB products. Stonehouse Capital holds equity interests in various FSP's which may result in an unavoidable conflict of interest. Clients of StoneHouse Capital partners, are encouraged to familiarize themselves with the conflict of interest disclosures, as required by their FAIS license, prior to engagement.
- 11.3 The Client may at any time terminate the Financial Adviser's appointment. It is the Client's responsibility to advise the Manager of such termination in writing. Upon receipt of such notification the Manager will cease payment of any further service charge to the Financial Adviser. However the client understands that this will not result in a lower annual service charge as the full service charge will now be paid to the Manager
- 12. Query Support and Middle Office:** STANLIB Compliance and Complaints, PO Box 202, Melrose Arch, 2076 Telephone: 0860 123 003
- 13. Complaints:** Should the Client wish to lodge a complaint with STANLIB regarding the services being provided, the Client can locate STANLIB's Complaints procedure on www.stanlib.com/contactus/pages/furtherqueries.aspx, alternatively the Client can send an email to rateus@stanlib.com
- 14. Privacy:** It is important to us that you understand how we obtain, process, store, and share your information. This will apply to all the products and/or services which we provide to you, including any products and/or services provided by our affiliates and associates. When you open an investment with us, you give us permission to disclose information for the purposes described herein, including the information of dependents and beneficiaries. You consent to STANLIB collecting, processing, storing, and disclosing this information for the purposes of:
- 14.1. Administering your investment account and processing any instructions on the account.
- 14.2. Communicating with you and your Financial Adviser/ broker.
- 14.3. Providing your information to any entity within Standard Bank Group Limited, including its subsidiaries and affiliates, where you already have a relationship with, or where you have applied for a product or benefit from, such entity. This information will only be shared for the administration of your products or benefits by this entity.
- 14.4. Providing relevant information to a contracted third party who requires the information to provide a service to you for your investment. We will ensure that the third party agrees to keep your information confidential and appropriately secured.
- 14.5. Transferring your Personal Information outside the borders of the Republic of South Africa. We will ensure that anyone to whom we pass on your Personal Information agrees to treat your information with the same level of protection as we do.



14.6. Providing information to industry registers such as ASISA, and contracted third parties, such as tracing agents, attorneys, debt collectors and other persons that assist with the enforcement of agreements.

14.7. Providing your information to regulatory authorities, governmental departments, local and international tax authorities and other persons that STANLIB under the law have to share your information with.

14.8. Payment processing for services providers, merchants, banks and other persons that assist with the processing of your payment instructions.

14.9. Assisting law enforcement and fraud prevention agencies and other persons tasked with the prevention and prosecution of crime.

14.10. Persons to whom STANLIB cede their rights or delegate their obligations to under agreements.

14.11. Conducting research or servicing products. Where appropriate, this information will be de-identified such that it cannot be linked back to you personally.

14.12. We undertake solely to collect and process your information as permitted by law. If you feel we have not done so, you have the right to contact us and object.

14.13. We will take reasonable steps to ensure that all Personal Information you provided to us is kept secure and confidential.

14.14. We will keep your Personal Information until such time as we are compelled to delete it, as prescribed by applicable law.

14.15. If we become involved in a proposed or actual merger, acquisition, or any form of sale of assets, we may use and disclose your Personal Information to third parties in connection with the evaluation of the transaction. The surviving company, or the acquiring company in the case of a sale of assets, would have access to your Personal Information, which would continue to be subject to these terms.

14.16. You have the right to request a copy of the Personal Information we hold about you. We are allowed to charge you a fee to provide this information to you.

14.17. You have the right to request that we update, correct, or delete your Personal Information.

15. FAIS Ombudsman details: Block B, Sussex Office Park, 473 Lynwood Road, Pretoria, 0081. Telephone 012 470 9080

B2. Product Specific: Terms and Conditions

STANLIB QUALIFIED INVESTOR HEDGE FUNDS: TERMS AND CONDITIONS

1. Net Asset Value (NAV): Prices are calculated on a NAV basis, which is the total value of all assets in the Portfolio including any income accrual and less any permissible deductions from the Portfolio divided by the number of participatory interests in issue. Permissible deductions include brokerage, Securities Transfer Tax, auditor's fees, bank charges, trustee/custodian fees and the service charge levied by the Manager.

2. Initial Financial Adviser Charges: The initial Financial Adviser charge is deducted from the full investment value and the remaining amount is allocated to the selected investment options. Any additional investment will incur an initial Financial Adviser charge, provided that the applicable Adviser charge is on the application form, should any funds be deposited with an account number as reference without an application form, the investment will be placed with no initial fees. No corrections will be done once the investment has been placed. It is therefore imperative that an application form be submitted with every additional investment should there be a need for initial Financial Adviser charges. The charge is set at a maximum of 3.00% (excluding VAT) of investments made in the equity portfolios and the asset allocation portfolios, and may range from 0.60% to 1.80% (excluding VAT) in the fixed-interest portfolios.

3. Service Charge (levied monthly incl. VAT): The service charge for the individual portfolios is accrued daily and levied monthly on the market value of the portfolio. Certain portfolios have a performance based service charge which shall be a variable amount that may either increase or decrease, depending on whether the Manager has added or detracted value for the portfolio relative to a passive investment in the portfolio's benchmark. Please refer to the latest fact sheet(s) for more details. The service charge is normally deducted from the income received by the portfolios. The Portfolio Charges document (including Performance Fee Frequently Asked Questions) is available on www.stanlib.com.

4. Performance Fees: Where fees are not accrued daily, the fee accrual is lagged and rolling measurement periods are used, certain participatory interest holders may carry a lower proportion of the performance fee relative to performance enjoyed, whilst other Clients may carry a higher proportion of the performance fee relative to performance enjoyed. Where underlying portfolios charge implicit performance fees (i.e. implicit in their unit prices), participatory interest holders may carry these performance fees regardless of whether the top-tier portfolio or mandate has out-performed its own benchmark. The Portfolio Charges document (including Performance Fee Frequently Asked Questions) is available on www.stanlib.com ("Investment for Individuals" section).

5. Total Expense Ratio: The Total Expense Ratio (TER) of a portfolio is a measure of the portfolio's assets that were relinquished as operating costs expressed as a percentage of the daily average value of the portfolio calculated over a period of usually a financial year. Typical expenses which are deducted from a portfolio include service charges, taxes, trustee fees and audit fees. The TERs can be located on the Fact Sheets and the Portfolio Charges document which is available on www.stanlib.com ("Investment for Individuals" section).

6. Switching: A "switch" involves selling participatory interests (units) in one portfolio and investing the proceeds in another portfolio. The Manager does not normally charge initial Financial Adviser charges twice, other than in the instance where the original entry was into a portfolio with lower charges than the portfolio into which the Client will be investing. Accordingly, the Client will have to pay in the difference in the initial Financial Adviser charges. However, the Client and the Financial Adviser may agree on a different arrangement to that mentioned above, in which case an initial Financial Adviser charge as agreed, between the Client and the Financial Adviser, will be charged on the switch transaction. As costs may change from time to time, please consult with your authorised Financial Adviser.

7. Income Distributions: Income distributions are made at regular intervals for all portfolios. Portfolios either declare distributions monthly, quarterly (31 March, 30 June, 30 September, 31 December), bi-annually (30 June, 31 December), or annually (31 December). These distributions are paid by no later than the last working day of the following month. Please refer to the latest fact sheet(s) for more details.

8. Other Fixed Interest Portfolios and Equity Portfolios: Minimum remaining amount on all STANLIB Funds is R2,000.00. The minimum redemption amount on All STANLIB Funds is R2,000, any redemption request below R2,000 will result in the minimum transaction amount of R2,000 being redeemed. If the balance falls below R2,000, after the redemption, instruction will result in the total balance being redeemed.

9. Electronic Transactions: the Client agrees that the Manager shall be entitled to implement all instructions and applications of whatever nature received on their Internet site, by telephone or any other electronic medium and which appear to emanate from the Client. The Manager and/or Financial Adviser is indemnified against any losses, claims or damages arising from acting on such instructions and/or applications, notwithstanding that it may later be proved that any such instruction was not given by the Client. The Client agrees that the electronic records of all instructions and applications processed by/or on behalf of him/her or which purport to be processed on behalf of the Client via the Manager's Internet site, telephone or any other electronic medium shall constitute prima facie proof of the contents of such instructions and applications. STANLIB will not be held responsible for any failure, malfunction or delay of any networks, electronic or mechanical device or any other form of communication used in the submission, acceptance and processing of applications and/or transactions. STANLIB will not be liable to make good or compensate any investor or third party for any damages, losses, claims or expenses resulting there from.

10. Payments: Redemptions, regular income options and income distribution payments can only be made into an account in the name of the Client. No third party or cheque payments will be made.

11. Shari'ah Compliant Portfolios: In terms of Shari'ah Law, the Manager will purify the dividend income earned by automatically deducting all non-permissible income from the total dividend income distribution due to the Client. The income, net of non-permissible income, is then applied according to the Client's further instructions, i.e. either reinvested or paid to the Client's bank account. All non-permissible income deducted will be donated on behalf of Clients to charitable organizations, as directed by the Shari'ah Supervisory Board. Non-permissible income sources include interest income earned from companies invested in. The quantum of non-permissible income will be determined by the fund manager and approved by Shari'ah Supervisory Board which will typically be a percentage of the total dividend income that accrued to the portfolio, e.g. 5%. For example, the Shari'ah Board determined that 5% of all dividends that accrued to the portfolio are non-permissible. A proportionate amount of the dividend income due to the Client (i.e. 5%) will be deemed to be non-permissible and will be deducted from the total dividend income distribution due to the Client and donated on behalf of the Client to charitable organizations, as directed by the Shari'ah Supervisory Board. Clients must take note that their statements and the statutory tax certificates (I.T. 3 (b)) will indicate the total income distributed to them, net of non-permissible income. It is also important to note that certain permissible income received by the portfolio is deemed to be interest income in terms of the Income Tax Act, as amended from time to time, and will be reflected as such. Clients are accordingly advised to seek appropriate tax advice as to the potential tax consequences they may be subjected to. Clients should note that all income paid by the fund is purified before being paid out to Clients.

12. General

12.1. Collective investment schemes in securities are generally medium to long term investments.

12.2. The value of participatory interests may go down as well as up and past performance is not necessarily a guide to the future.

12.3. An investment in the participations of a collective investment scheme in securities is not the same as a deposit with a banking institution. A Money Market portfolio is not a bank deposit account.

12.4. Where exit charges are applicable, participatory interests are redeemed at the net asset value where after the exit charge is deducted and the balance is paid to the Client.

12.5. A Portfolio of a collective investment scheme in securities may borrow up to 10% of the market value of the Portfolio to bridge insufficient liquidity as a result of the redemption of participatory interests, and may also engage in scrip lending.

12.6. Where different classes of participatory interests apply to certain Portfolios, they would be subject to different charges.

12.7. A schedule of charges and maximum charges is available on request from the Manager. Commission and incentives may be paid and if so, would be included in the overall costs. Ongoing commission may be paid to Financial Advisers. Such ongoing commission, if applicable, will be paid by the Manager from the service charge paid to it. Details of such ongoing commission paid by the Manager to the Financial Adviser on record in respect of your investment are available on request from the Manager.

12.8. The exposure limit to a single security in certain Portfolios can be greater than is permitted for other Portfolios in terms of the Collective Investment Schemes Control Act, 2002. Details are available from the Manager.

12.9. A Fund of Funds Portfolio only invests in other portfolios of collective investment schemes, which levy their own charges, which could result in a higher cost structure for these



- portfolios.
- 12.10. A Feeder Fund Portfolio only invests in the participatory interests (units) of a single portfolio of a collective investment scheme, apart from assets in liquid form.
- 12.11. The Manager reserves the right to close certain Portfolios from time to time in order to manage them more efficiently. More details are available from the Manager.
- 12.12. The holdings of offshore investments in certain portfolios are subject to current South African Reserve Bank Regulations.
- 12.13. Forward pricing is used.
- 12.14. Fluctuations or movements in exchange rates may cause the value of underlying offshore investments to go up or down.
- 12.15. The Manager undertakes to repurchase participatory interests at the price calculated according to the requirements of the Collective Investment Schemes Control Act, 2002, and on the terms and conditions of the relevant Deeds.
- 12.16. Payment will be made within 14 days of receipt of a valid repurchase form or regular income request. Please note that there is a 21-day clearance period for cheques and direct deposits, a 45-day clearance period for once off and recurring debit orders. A maximum of R1,000,000 can be collected as a once off debit transaction in a 45 day period per bank account.
- 12.17. Any capital gain realised on the disposal of a participatory interest in a collective investment scheme is subject to Capital Gains Tax (CGT).
- 12.18. The Manager is obliged to report on the weighted average cost method for CGT purposes.
- 12.19. **Qualified Investor Funds Investing:** applications are processed on a monthly basis. Your fully completed application form with required FICA documentation must be submitted to STANLIB before 14h00, 2 business days prior to the end of the month and your proof of payment must be submitted before 14h00 on the last business day of the month. Your application will be processed on the 1st of the following month.
- 12.20. **Qualified Investor Funds Withdrawal:** withdrawals are processed monthly subject to a 3 month notice period. In order to receive month end prices, your withdrawal instruction must have been submitted to STANLIB before 14h00 on the last business day 3 months preceding the month end.
- 12.21. The Client confirms that neither the Manager nor any of its staff provided any advice and that the Client has taken particular care to consider whether the investment is appropriate considering the unique investment objectives, financial situation and particular needs.
- 12.22. All bank accounts supplied for the duration of this investment will be verified with the relevant banks prior to the investment being placed.
- 12.23. Conflicts of interest disclosure: the Manager shall, wherever possible avoid situations causing a conflict of interest. Where it is not possible to avoid such conflict: the Manager shall advise the Client, of such conflict in writing at the earliest reasonable opportunity and shall mitigate the conflict of interest in accordance with its Conflict of Interest Management Policy. A copy of this Policy is available on the STANLIB website. The Manager is part of the Standard Bank Group of companies and both the Liberty Agency and SBFC Financial Advisers are permitted to sell various STANLIB Collective Investments (RF) Proprietary Limited products. Stonehouse Capital holds equity interests in various FSP's which may result in an unavoidable conflict of interest. Clients of StoneHouse Capital partners are encouraged to familiarize themselves with the conflict of interest disclosures, as required by their FAIS license, prior to engagement. The Client may at any time terminate the Financial Adviser's appointment. It is the Client's responsibility to advise the Manager of such termination in writing. Upon receipt of such notification The Manager will cease payment of any further service charge to the Financial Adviser. However the Client understands that this will not result in a lower annual service charge as the full service charge will now be paid to the Manager.
- 12.24. Dividends tax: SARS will levy a withholdings tax on dividends at a rate of 20% with effect from 1st April 2017. If you are an exempt entity or if you are liable for dividends tax at a reduced rate then please download and complete the Exemption form or the Reduced Rates form. These forms are available on STANLIB's website. The default rate of 20% will be applied to all Clients if an Exemption from tax or the Reduced rates form is not supplied at the time we receive your Investment application form.
- 12.25. If the Manager receives a deposit and cannot identify the Client within 30 days of deposit, an instruction will be sent to the bank, to return the monies to the bank account where the funds were received from.

13. FICA: The Client agrees to provide all documentation and information required in terms of the Financial Intelligence Centre Act, No. 38 of 2001, and understands that the Manager is prohibited from processing any transactions on the Client's behalf until all such documentation and information has been received unless the FICA submission and declaration has been completed by the Financial Adviser.

14. Statements

- 14.1. Clients in the STANLIB Collective Investments Hedge Fund Scheme will receive consolidated statements monthly.
- 14.2. All other Clients will receive consolidated statements quarterly.
- 14.3. IT3B and IT3C documents will be sent to Clients by May each year.
- 14.4. A Client can register on STANLIB Online and access statements 24 hours a day in a secured environment.

15. Cooling off rights: Due to the nature of this product, cooling off rights are not applicable to Collective Investment Schemes.

16. Non-residents and Emigrants: Foreign money must be sent to our bank account via Standard Bank International Trade Services swift code SBZAZAJJ and can be transferred in foreign currency or SA Rands. Standard Bank International Trade Services will contact Clients who have sent foreign currency, regarding the conversion date, unless the spot rate or a conversion date is specified with the payment. Clients have 30 days from receipt to convert. The Manager is not responsible for confirming the conversion date or spot rate.

17. Trustees: Société Générale Securities Services - SGSS, 160 Jan Smuts, Avenue Rosebank, 2nd Floor, Gauteng, Johannesburg, 2000, Telephone: 011 448 8400.

18. Query Support and Middle Office: STANLIB Compliance and Complaints, PO Box 202, Melrose Arch, 2076 Telephone: 0860 123 003.

19. Complaints: Should the Client wish to lodge a complaint with STANLIB regarding the services being provided, the Client can locate STANLIB's Complaints procedure on www.stanlib.com/contactus/pages/furtherqueries.aspx, alternatively the Client can send an email to rateus@stanlib.com.

20. STANLIB is a member of the Liberty Group of companies. Liberty is a full member of the Association for Savings & Investments South Africa (ASISA).

21. This application form and the relevant trust deed in respect of the STANLIB Collective Investments Scheme will form the agreement between the Client and the Manager. The investment will be administered in terms of the Collective Investment Schemes Control Act, 45 of 2002 (The Act).

22. Contact details: STANLIB Collective Investments (RF) Proprietary Limited Reg. No. 1969/003468/07. 17 Melrose Boulevard, Melrose Arch, 2196 | P O Box 202, Melrose Arch, 2076; T +27 (0)11 448 6000 | F 086 727 7505/+ 27 (0)11 448 6666; E contact@stanlib.com | W www.stanlib.com

23. FAIS Ombudsman details: Block B, Sussex Office Park, 473 Lynwood Road, Pretoria, 0081. Telephone 012 470 9080

24. Privacy: It is important to us that you understand how we obtain, process, store, and share your information. This will apply to all the products and/or services which we provide to you, including any products and/or services provided by our affiliates and associates. When you open an investment with us, you give us permission to disclose information for the purposes described herein, including the information of dependents and beneficiaries. You consent to STANLIB collecting, processing, storing, and disclosing this information for the purposes of:

- 24.1. Administering your investment account and processing any instructions on the account.
- 24.2. Communicating with you and your Financial Adviser/ broker.
- 24.3. Providing your information to any entity within Standard Bank Group Limited, including its subsidiaries and affiliates, where you already have a relationship with, or where you have applied for a product or benefit from, such entity. This information will only be shared for the administration of your products or benefits by this entity.
- 24.4. Providing relevant information to a contracted third party who requires the information to provide a service to you for your investment. We will ensure that the third party agrees to keep your information confidential and appropriately secured.
- 24.5. Transferring your Personal Information outside the borders of the Republic of South Africa. We will ensure that anyone to whom we pass on your Personal Information agrees to treat your information with the same level of protection as we do.
- 24.6. Providing information to industry registers such as ASISA, and contracted third parties, such as tracing agents, attorneys, debt collectors and other persons that assist with the enforcement of agreements.
- 24.7. Providing your information to regulatory authorities, governmental departments, local and international tax authorities and other persons that STANLIB under the law have to share your information with.
- 24.8. Payment processing for services providers, merchants, banks and other persons that assist with the processing of your payment instructions.
- 24.9. Assisting law enforcement and fraud prevention agencies and other persons tasked with the prevention and prosecution of crime.
- 24.10. Persons to whom STANLIB cede their rights or delegate their obligations to under agreements.
- 24.11. Conducting research or servicing products. Where appropriate, this information will be de-identified such that it cannot be linked back to you personally.
- 24.12. We undertake solely to collect and process your information as permitted by law. If you feel we have not done so, you have the right to contact us and object.
- 24.13. We will take reasonable steps to ensure that all Personal Information you provided to us is kept secure and confidential.
- 24.14. We will keep your Personal Information until such time as we are compelled to delete it, as prescribed by applicable law.
- 24.15. If we become involved in a proposed or actual merger, acquisition, or any form of sale of assets, we may use and disclose your Personal Information to third parties in connection with the evaluation of the transaction. The surviving company, or the acquiring company in the case of a sale of assets, would have access to your Personal Information, which would continue to be subject to these terms.
- 24.16. You have the right to request a copy of the Personal Information we hold about you. We are allowed to charge you a fee to provide this information to you.
- 24.17. You have the right to request that we update, correct, or delete your Personal Information.

25. About Hedge Fund Unit Trusts

- When you invest in a hedge fund unit trust (also called a collective investment scheme), your money is pooled with the money of other investors. This pool of money is used to buy a portfolio of assets, such as shares (equities), bonds or listed property. As an investor, the value of the units you own is calculated by taking the number of units you own and multiplying them by the latest ruling price per unit. Forward pricing is used. Details of what each fund invests in, as well as its risk profile and other disclosures that may be applicable to the fund, are specified in the Minimum Disclosure Documents.
- The price per unit (excluding money-market type funds) goes up and down according to the value of the underlying assets in the relevant portfolio. Neither your capital nor the return of your investment is guaranteed for any hedge fund unit trust fund investment. For information on unit trusts, hedge funds and how they work, along with our full range of funds and the relevant Minimum Disclosure Documents and Upfront Disclosure Document, please visit our website at www.stanlib.com or alternatively you can call us on +27 (11) 448 5000.
- When you complete this form, you apply to buy units in the hedge funds of your choice in line with the Trust Deed and mandate of the relevant funds. The Minimum Disclosure Documents and Upfront Disclosure Documents explain how each fund invests and what applicable fees will be charged.
- Unit trusts are generally medium to long-term investments. Past performance is not necessarily a guide to future performance. Unit trusts are traded at ruling prices and may



engage in borrowing and scrip lending. Unit trust prices are calculated on a net asset value basis, which is the total value of all assets in the portfolio, including any income accrual, less any permissible deductions from the portfolio and divided by the units in the portfolio.

- If funds are deposited on a Saturday, Sunday or public holiday, investors will receive value at the next available price.
- A fund of hedge funds is a portfolio that invests in portfolios of collective investment schemes, which levy their own charges. This could result in a higher fee structure for the fund of hedge funds.
- STANLIB Collective Investments takes full legal responsibility for the co-branded portfolios.
- Portfolios that invest in international investments, or investments in foreign securities, could be accompanied by additional risks as well as potential limitations on the availability of market information.
- Income payment(s) will only be paid out to a client's bank account if the investment transactions used to purchase units have been cleared by the bankers on the income reinvestment date. If the units have not cleared, income payment(s) will automatically be reinvested.

26. Fees and charges

- A schedule of fees and charges and maximum commissions is available on the Minimum Disclosure Documents and Upfront Disclosure Document.
- Commission and incentives may be paid and if so, will be included in the overall costs. The fund manager may borrow up to 10% of the portfolio to bridge insufficient liquidity
 - The following charges are levied against the portfolio: brokerage, auditors' fees, performance fees, service fees, applicable taxes, custodian fees, bank charges, trustees' fees and trailer fees (trailer commission is paid by STANLIB to financial advisers on a monthly basis; it forms part of the annual service charge, which is a fixed percentage per annum that is calculated and deducted daily from the accrued income in the portfolio).
 - These fees are charged to the client: STANLIB manager's fees as well as broker advice fees.
- Obtain a personalized cost estimate before investing by visiting www.stanlib.com and using our Effective Annual Cost (EAC) calculator. Alternatively, contact your adviser or phone us at +2711 448 5000
- The client will be liable for any bank charges incurred as a result of a deposit being rejected by the bank.
- Contained within the TER is expenses that relate to the investment management fee, the service costs and performance fee. Performance fees are calculated by comparing the annual return of the Fund and Performance Fee Benchmark which is set in the Fund Minimum Disclosure Documents. Performance fees will only be charged if the Fund return is in excess of the performance Fee Benchmark. All fees are accrued daily in the Net Asset Value (NAV) of the Fund.

27. Transaction cut-off times

- We can only process your instruction once we have received the correct and accurately completed form and the required supporting documents. If an instruction is issued incorrectly, is unclear, incomplete, or if the supporting documents are not received by the cut-off time, the processing of the transaction will be delayed.
- Please make sure you send us your completed instruction (including supporting documents) before the transaction cut-off time. The SA business day transaction cut-off times for our funds are: Your transaction will be priced using the ruling price of the fund for the day the transaction is processed i.e. the day we receive all of the required information if the fund is priced daily. For funds priced monthly, your transaction will be priced using the ruling price of the fund for the month in which the transaction is processed. Any loss will be for the investor's account. Money deposited for investment into the fund will be held in a bank account. Any interest added thereon, will be added to the initial amount and be invested into the fund.
 - Daily 14:00 for all daily priced Hedge funds
 - Last business day of month at 14:00 for all monthly priced Hedge Funds

28. Conflict of interest

- All actual and potential Conflicts of Interest are managed, reported and disclosed in line with the Managers Conflicts of Interest and Outsourcing Policy which is available on request, or on the STANLIB website www.stanlib.com.

29. Ownership, information security and instructions

- The legal owner of the investment is the person in whose name the investment is registered, regardless of who the payer is.
- We will only release information to, and act on instructions from, the investor, the authorized signatory or the appointed financial intermediary.
- We permit ring fencing for large withdrawals also in terms of Notice 573 of the Collective Investment Schemes Act. Ring fencing is the separation of assets and the delayed sale of units in a unit trust fund. A large sale of units in a unit trust fund, above certain thresholds, may cause ring fencing. This ensures that the sale of a large number of units will not force us to sell the underlying investments at a price in the market which could have a negative impact on other investors. If your sell instruction is affected by this ring fencing, we will contact you to discuss the process, where applicable.

30. Unclaimed assets and how they affect you

- As a member of the Association for Savings and Investment SA (ASISA), we follow ASISA's Unclaimed Assets standard. An unclaimed asset is any unit trust investment on which there has been no transactions for ten years, or in the case of a deceased estate, more than three years have passed since we have received the notice of death. Our policy is to continue reinvesting all income distributions (interest) and redemption payments until the unit trust is sold, regardless of the time frame.
- According to ASISA's Unclaimed Assets standard, we follow a process of tracing investors or beneficiaries on any unclaimed assets. Any reasonable administrative and costs incurred to trace the investor may be recovered from the value of the portfolio, thereby reducing the value of your investment. Tracing will cease where the value of the unit trust investment is less than R1000 and the costs of tracing exceeds the benefit of tracing. More information on the ASISA Standard on Unclaimed Assets and the processes is available on www.asisa.org.za or from our client service center on +27860 123 003
- Please note that to prevent your investment becoming an unclaimed asset, it is your responsibility to inform us of any change in your personal information.

31. Making changes to your investment

Unit trusts are a flexible investment option, which means that you can make changes to your investment as your personal circumstances change. This means you can change your fund selection, sell some or all of your units, and make additional investments. As changes to your investment could impact your original investment goals, please speak to your financial adviser or broker.

32. Liquidity and repurchases

A Manager of a QI fund must-

- (a) have an appropriate framework to measure and manage the liquidity risk of each portfolio against its repurchase obligations;
- (b) implement and maintain a repurchase policy, which policy must provide for-
- (c) a level of liquidity for the relevant portfolio of the fund that would enable the manager to repurchase participatory interests

33. Disclaimer

STANLIB is a full member of the Association for Savings and Investment SA. Collective investment schemes are generally medium to long-term investments. Please note that past performances are not necessarily an accurate determination of future performances and that at the value of investments / units / unit trusts may go down as well as up. A schedule of fees and charges and maximum commission is available from the Manager, STANLIB Collective Investments (RF) Pty Ltd, a registered and approved Manager in Collective Investment Schemes in Securities. Additional information of the proposed investment, including brochures, application forms and annual or quarterly reports, can be obtained from the Manager, free of charge. Collective investments are traded at ruling prices and can engage in borrowing and scrip lending. Collective investments are calculated on a net asset value basis, which is the total market value of all assets in the portfolio including any income accruals and less any deductible expenses such as audit fees, brokerage and service fees. Actual investment performance of the portfolio and the investor will differ depending on the initial fees applicable, the actual investment date, and the date of reinvestment of income as well as dividend withholding tax. Forward pricing is used. The Manager does not provide any guarantee either with respect to the capital or the return of a portfolio. The performance of the portfolio depends on the underlying assets and variable market factors. Investments in derivative instruments entail specific risks that may increase the risk profile of the Collective Investment Schemes and are more fully described in the Collective Investment Scheme's Minimum Disclosure Document. Performance is based on NAV to NAV calculations with income reinvestments done on the exdiv date. Lump sum investment performances are quoted. The portfolio may invest in other unit trust portfolios which levy their own fees, and may result in a higher fee structure for our portfolio. All the portfolio options presented are approved collective investment schemes in terms of Collective Investment Schemes Control Act, No 45 of 2002 ("CISCA"). International investments or investments in foreign securities could be accompanied by additional risks as well as potential limitations on the availability of market information. The Manager has the right to close any portfolios to new investors to manage them more efficiently in accordance with their mandates. The portfolio management of all the portfolios is outsourced to financial services providers authorized in terms of the Financial Advisory and Intermediary Services Act, 2002. Standard Bank of South Africa Ltd is the appointed trustee of the STANLIB Collective Investments Scheme.

HEDGE FUND RISK DISCLOSURES

This list is not exhaustive, it only provides the main risks involved in Hedge Fund Investments. You may refer to the Hedge Fund regulations on the Financial Sector Conduct Authority (FSCA) website <https://www.fsc.co.za/Notices/bn571of2008.pdf> for further definitions. In terms of Board Notice 571 of 2008 published by the Registrar of Financial Services Providers on 14 July 2008, all hedge fund managers are required to disclose the risks and characteristics of hedge funds to their clients in the prescribed form set out in this Part A.

PART A: PRESCRIBED HEDGE FUND FSP RISK DISCLOSURES

1. THE HEDGE FUND FSP RISK DISCLOSURES

The risks and characteristics contained in this Part A represent some of the more general risks and characteristics prevalent in hedge fund portfolios. The list below should not be seen as exhaustive. As more risks and characteristics are identified that were not initially mentioned in this Part A, then such risks and characteristics will, as they become more prevalent, be included herein.



Investment strategies may be inherently risky

Hedge fund strategies may include leverage, short-selling and short term investments. In addition, hedge fund portfolios often invest in unlisted instruments, low-grade debt, foreign currency and other exotic instruments. All of these expose investors to additional risk. However, not all hedge fund managers employ any or all of these strategies and it is recommended that investors consult their advisers in order to determine which strategies are being employed by the relevant manager and which consequent risks arise

Leverage usually means higher volatility

Hedge fund managers may use leverage. This means that the hedge fund manager borrows additional funds, or trades on margin, in order to amplify his investment decisions. This means that the volatility of the hedge fund portfolio can be many times that of the underlying investments. The degree to which leverage may be employed in any given hedge fund portfolio will be limited by the mandate the client has with the manager. The limits laid down by the mandate should be carefully reviewed in making an investment decision

Short-selling can lead to significant losses

Hedge fund managers may borrow securities in order to sell them short, in the hope that the price of the underlying instrument will fall. Where the price of the underlying instrument rises, the client can be exposed to significant losses, given that the manager is forced to buy securities (to deliver to the purchaser under the short sale) at high prices.

Unlisted instruments might be valued incorrectly

Hedge fund managers may invest in unlisted instruments where a market value is not determined by willing buyers and sellers. The hedge fund manager may have to estimate the value of such instruments, and these estimates may be inaccurate, leading to an incorrect impression of the fund's value. Investors should ensure that objective valuations are performed for all instruments in a portfolio and that the manager utilises the services of a competent administrator.

Fixed income instruments may be low-grade

Hedge fund managers may invest in low-grade bonds and other fixed interest investments. These investments are more likely to suffer from defaults on interest or capital. They are also more likely to have volatile valuations when the market changes its view on credit risk. The mandate should also limit the extent (i.e. lowest acceptable rating and maximum percentage exposure) to which low grade debt can be acquired by the client. Investors should review the mandate to gain an appreciation of the maximum possible exposure applicable to the relevant mandate.

Exchange rates could turn against the fund

A hedge fund manager might invest in currencies other than the base currency. For example, a South African hedge fund manager might invest in UK or US shares. The portfolio is therefore exposed to the risk of the rand strengthening or the foreign currency weakening.

Other complex investments might be misunderstood

In addition to the above, hedge fund managers might invest in complex instruments such as but not limited to futures, forwards, swaps, options and contracts for difference. Many of these will be derivatives, which could increase volatility. Many will be "over-the-counter", which could increase counterparty risk. Many exotic instruments may also be challenging for the manager to administer and account for properly. Investors should enquire into how these instruments are objectively and independently valued.

The client may be caught in a liquidity squeeze

Given their often short term nature, hedge fund managers need to be able to disinvest from or close certain positions quickly and efficiently. But market liquidity is not always stable, and if liquidity were to decrease suddenly, the hedge fund manager might be unable to disinvest from or close such positions rapidly or at a good price, which may lead to losses.

The prime broker or custodian may default

Hedge fund managers often have special relationships with so-called "prime" brokers. These are stock-brokers that provide the required leveraging and shorting facilities. Prime brokers usually require collateral for these facilities, which collateral is typically provided using assets of the relevant client, and consequently such collateral might be at risk if the prime broker were to default in some way. A similar situation could occur with the custodian of the client's funds.

Regulations could change

Legal, tax and regulatory changes could occur during the term of the investor's investment in a hedge fund portfolio that may adversely affect it. The effect of any future legal, tax and regulatory change or any future court decision on a hedge fund portfolio could be substantial and adverse.

Past performance might be theoretical

Hedge fund portfolios are on occasion marketed using theoretical or paper track records. Past performance is seldom a reliable indicator of future performance. Theoretical past performance is often an even less reliable indicator, and investors should place a lower significance on these.

The manager may be conflicted

The hedge fund manager might be managing other hedge fund portfolios or other traditional investment funds. The investor should ensure that sufficient controls are in place to manage any conflicts of interest between the different funds.

2.THE OTHER DIFFERENCES IN HEDGE FUND PORTFOLIOS**Hedge fund structures are often complex**

As mentioned above, hedge funds structures are not fully regulated and they are often housed in legal structures not originally meant for pooled hedge funds, for example partnerships and companies. Given the many risks listed above, investors need to ensure that any structure is robust enough to contain any unlimited losses.

Manager accountability may be vague

Hedge fund portfolios are often managed by specific individuals and investors should ensure that sufficient controls are in place for the times when the manager is being covered for by colleagues. In addition, a hedge fund structure (for example, a fund of funds) and its managers or advisors may rely on the trading and/or investing expertise and experience of third-party managers or advisors, the identity of which may not be disclosed to investors. This constitutes an additional risk for investors, which they must take into account.

Fees might be high

Hedge fund structures' fees may be significantly higher than the fees charged on traditional investment hedge funds. Investments should be made only where the potential returns justify the higher fees.

Fees might be performance-based

Hedge fund manager's fees are usually performance-based. This means that the managers typically get a higher fee when their portfolios outperform specified performance targets, which might lead to riskier positions being taken. Investors need to ensure that performance fees allow for a fair sharing of both the good and the bad.

Transaction costs might be high

Given the often short term nature of investment positions, hedge fund portfolios are often traded more aggressively. This implies more stock-broking commission and charges being paid from the portfolio, which is ultimately for the client's account. Again, investments should be made only where the potential returns make up for the costs.

Transparency might be low

A hedge fund manager's performance is often the result of unique proprietary strategies or contrarian investment positions. For obvious reasons, managers will want to keep these confidential. Managers are therefore less likely to disclose trades to their investors, and holdings might be disclosed only in part or with a significant delay.

Dealing and reporting might be infrequent

A hedge fund manager's performance can often be disturbed by irregular cash flows into or out of the hedge fund structure. For this reason, hedge fund managers often limit the frequency of investments and withdrawals. Similarly, the manager may choose to report infrequently on performance and other statistics. Investors should ascertain, prior to investing, the nature and frequency of reporting.

Withdrawals might not be easy

As mentioned above, the frequency of withdrawals might be limited to monthly or quarterly dates. In addition, the manager may impose notice periods or lock-ins in order to ensure that he has the necessary time for his investment positions to deliver their desired results.



PART B: DERIVATIVES, TECHNIQUES AND INSTRUMENT RISK

The portfolio may use various derivative instruments primarily for both investment and hedging purposes. Many derivative instruments may also be challenging for the manager to administer and account for properly. All instruments are objectively and independently valued. Use of derivative instruments presents various risks which include the following:

Liquidity

Derivative instruments, especially when traded in large amounts, may not be liquid in all circumstances, so that in volatile markets the portfolio may not be able to close out a position without incurring a loss. In addition, daily limits on price fluctuations and speculative position limits on exchanges on which the portfolio may conduct its transactions in derivative instruments may prevent prompt liquidation of positions, subjecting the portfolio to the potential of greater losses.

Tracking

When used for hedging purposes, an imperfect or variable degree of correlation between price movements of the derivative instrument and the underlying investment sought to be hedged may prevent the portfolio from achieving the intended hedging effect or expose the portfolio to the risk of loss.

Leverage

Trading in derivative instruments can result in large amounts of leverage. Thus, the leverage offered by trading in derivative instruments will magnify the gains and losses experienced by the portfolio and could cause the portfolio's net asset value to be subject to wider fluctuations than would be the case if the portfolio did not use the leverage feature in derivative instruments.

Over-the-Counter Trading

Derivative instruments that may be purchased or sold by the portfolio may include instruments not traded on an exchange. The risk of non-performance by the obligor on such an instrument may be greater and the ease with which the portfolio can dispose of or enter into closing transactions with respect to such an instrument may be less than in the case of an exchange traded instrument. In addition, significant disparities may exist between "bid" and "asked" prices for derivative instruments that are not traded on an exchange. Derivative instruments not traded on exchanges are also not subject to the same type of government regulation as exchange traded instruments, and many of the protections afforded to participants in a regulated environment may not be available in connection with such transactions. Heavy reliance on "over-the-counter" derivatives could result in an increase in counterparty risk.

