

VERSION 2 UNIT TRUST FOR INDIVIDUALS
TERMS AND CONDITIONS

This document contains the terms and conditions applicable to your unit trust investment and sets out the rights and responsibilities of the parties involved.

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1 DEFINITIONS
AOS / Itransact – “the Administrator”

Automated Outsourcing Services (Pty) Limited (with company registration number: 1997/013802/07) trading as Itransact, is the company that is approved by the Financial Services Board to provide administration services in respect of financial products on the instructions of an Investor.

Business Day

This is any day apart from a Saturday, Sunday or official South African Public holiday. In this document day and business day have the same meaning, except where the clause specifically states “calendar” days.

Financial Advisor – “FSP”

This is the person or entity that you appoint to give you advice or provide you with intermediary services and that is duly licensed and/or authorised as a financial services provider in terms of FAIS to render such financial services.

Investment Account

This is the account opened by the Administrator for you through which the Products chosen by you are administered.

Investor – “the Investor or you”

This is the person or legal entity that invests in the Product.

Investors Independent Nominee (Pty) Limited – “the Nominee”

Investors Independent Nominee (Pty) Limited (with company registration number: 2009/003227/07) is the company that has been approved as a nominee company to hold assets in trust on behalf of the Investor who has contracted with an administrative financial service provider.

Product

This is a portfolio under a collective investment scheme (i.e. a unit trust fund) which is administered by a unit trust manager. All contributions by you and other investors are pooled together for the purchase of assets that is then held in the portfolio. Each portfolio is divided into identical Units.

Product Provider – “the Manager”

This is the company that is authorised in terms of the Collective Investment Schemes Control Act to administer the Product. It has entered into an agreement with the Administrator to make the Product available to investors via its platform. The Manager is a member of the Association of Savings & Investment South Africa (‘ASISA’) and its conduct is regulated by the Financial Services Board.

Units

This is your interest in or share of the assets held in the Product. The amount of your contribution and the unit price when you make your investment determines the number of Units you acquire.

2 DOCUMENTS THAT FORM THE BASIS OF THE INVESTMENT

The investment agreement is based on:

- Your investment application form, as accepted by the Administrator
- Your supporting documents
- This document
- The most recent Product fact sheet issued by the Manager
- Any later instructions from you that has been accepted by the Administrator
- Any later amendment to the terms and conditions of the Product.

3 LAWS THAT APPLY TO THE INVESTMENT

The investment is subject to all the relevant laws of South Africa. Please note that changes to or replacements of any applicable law may change the terms and conditions. **The most important laws that apply to you and the investment are:**

3.1 The Collective Investment Schemes Control Act – “the Act”

This Act controls the administration of collective investment schemes and its unit trust portfolios. It must be read with the Main Deed entered into between the Manager and its trustee.

3.2 Financial Intelligence Centre Act – “FICA”

This Act requires that the Administrator establish and verify your identity before accepting your investment application to prevent money laundering and terrorist financing.

3.3 Financial Advisory and Intermediary Services Act – “FAIS”

This Act controls the activities of anybody who gives advice or provides intermediary services to investors about certain financial products. It requires that such persons be licensed and that professional behaviour be controlled through codes of conduct.

3.4 Income Tax Act

This Act deals with taxation of income, including dividends and capital gains, and any deductions that are allowed to be made in respect of such income.

4 HOW THE PRODUCT WORKS

- a. You invest in a unit trust of your choice made available by the Administrator.
- b. The Administrator keeps an Investment Account for the Investor.
- c. The value of the Investment Account is directly linked to the value of the investment in the Product.
- d. The value of the Investment Account is increased by contributions and by positive investment returns, and is reduced by negative investment returns, fees, expenses and charges.
- e. The Investor is the registered owner of this investment which is held in custody, on behalf of the investor, with an approved nominee company, the Investors Independent Nominee (Pty) Ltd.
- f. During the course of the investment, any income distributions from the Product will be paid to the Investor, or will be reinvested into the Product.
- g. The Administrator must be instructed to disinvest from the Product, and the proceeds realised will be paid to the Investor.

5 YOUR RIGHTS AND RESPONSIBILITIES

Read the information about the investment carefully

Please read the application form, this document and all marketing media associated with the Product before making your investment. You are responsible for your investment decisions and must carefully consider whether this investment is right for you.

It is your responsibility to understand the consequences of investing in the Product from a financial, legal, tax, accounting and regulatory perspective; all the fees and charges payable, and make sure that you understand the risk and returns of the Product. Every investment has some degree of risk and it is possible to lose some or all of the money invested.

5.1 Obtain independent, professional advice

The Manager and the Administrator cannot give you any advice. If you need financial, legal or tax advice or assistance in respect of investing, it is your responsibility to consult with a professional investment, financial, legal and/or tax advisor.

5.2 Appoint a FSP

You may appoint a FSP to provide you with financial advice or other financial services regarding your investment, or to act on your behalf when dealing with the Administrator, by completing the relevant section on the application form. The Administrator will pay

the fee as agreed in the application form to the FSP. You must check with the FSP that the FSP is authorised to give you financial advice on this investment based on their FAIS licence(s) read with the conditions or restrictions applicable to their FAIS licence(s). As a minimum requirement, the FSP must have a Category 1 license for the Product/s as declared to you on the application form. You can confirm this by contacting the Financial Services Board toll free on 0800110443 or on their website www.fsb.co.za. The FSP you appoint is not an employee or agent of the Administrator or the Manager but acts independently from them. If you elect to deal with the Administrator through the FSP, and his/her details appear on the application form, it will be assumed that all future dealings will also, until the Administrator is advised otherwise, take place through that FSP.

5.3 Change your FSP

You may appoint a new FSP that the Administrator has authorised to market products on its investment platform. You must specify the fees that you agree with your new FSP. The Administrator will cancel the existing appointment, record the appointment of the new FSP and confirm the change with you, your current and new FSP. The Administrator will thereafter pay any agreed fees to the newly appointed FSP unless you advise them otherwise.

5.4 Become an investor

You start investing in the Product by completing the Administrator's application form and providing the completed form and supporting documents to the Administrator. You will become an Investor once the Administrator has accepted your application and your first contribution have been received in the bank account indicated in the application form. The Administrator will inform you of the acceptance of your application.

5.5 Provide complete and accurate information

You must complete and sign the Administrator's application and other forms and ensure that all of the information, including any supporting documentation, is accurate, clear and complete. You must initial any changes to the information you submit.

5.6 Send instructions to the Administrator

The Administrator receives and accepts your instructions. Only electronic instructions will be accepted by the Administrator. All your instructions to the Administrator must be completed on the latest forms that are made available by the Administrator. All instructions must be signed by you, or a person acting on your behalf. You must send instructions by fax or e-mail to the numbers or e-mail address provided on the instruction form. The sender of the fax or the e-mail must ensure that the completed forms have actually been received by the Administrator. The sender can contact the Administrator telephonically at the telephone numbers specified in Section 10 of this document.

5.7 Adhere to Administrator timelines

All documentation required by the Administrator in respect of the Product must be delivered to the Administrator in accordance with the timelines set out in Section 7 of this document. If you fail to adhere to the timelines, the Administrator may delay the processing of your instruction.

5.8 Comply with FICA and keep details and supporting documents updated

You must comply with certain requirements under FICA before the Administrator will process your application form or subsequent instructions. You must provide the Administrator with certain information of a personal and financial nature required for purposes of identification and verification or confirm that you hold this information. Please refer to Section 6 below in this regard. You warrant that the money which you are investing is not the proceeds of unlawful activities or related to terrorist financing activities and understand that the Administrator may request proof from you regarding the source of these funds at any time. You must update your personal and banking details should these change and provide the Administrator with new supporting documentation. All supporting documents must be clear and readable, less than 3 (three) months old and copies must be correctly certified.

5.9 Make contributions under the Product

The Administrator does not accept cash payments. Your contributions must be paid into the Administrator's Nominee bank account in South African Rand, by way of the methods made available by the Administrator. There is no obligation on the Administrator to ensure contributions are made by you, or on your behalf. You can stop contributing at any time. You must notify the Administrator that you will stop contributing – please note that fees and charges will continue to be levied against your Investment Account.

5.10 Income Distributions

The return from your investment may come from either capital growth or income - depending on the type of assets in the Product. If the income is more than the total expenses of the Product, when the periodic distribution becomes available it will be reinvested. If the total expenses are more than the income earned, the Product will not make a distribution. All proceeds are automatically reinvested into the Product. Upon reinvestment, we will use the income to buy more Units in the Product, which will increase the value of your investment. You may have to pay any tax due on income distributions.

5.11 Read statements and report errors

The Administrator will make electronic statements available to you on a daily basis. You may also request a statement in writing, via fax or telephone at any time. If you find any errors, you have 30 (thirty) days to tell the Administrator. Therefore please read all documents you receive in respect of your investment promptly and carefully.

5.12 Withdraw part or all of your investment

You may withdraw some or all of your investment by selling the Units in the Product on any Business Day. When you withdraw part or all of your investment, you may be taxed on capital gains (CGT). The entire amount requested, after deducting any fees and charges payable, and/or any tax, will be paid once all processing and regulatory requirements have been met.

5.13 Register for online access

To view your personal and investment details online, you are required to register online with the Administrator.

5.14 Transfer ownership

You may transfer ownership of the Investment Account to another person or entity at any time by giving the Administrator notice in writing. This may mean you will have to pay Capital Gains Tax (CGT).

5.15 Cast your vote in a ballot

Before changes can be made to a Product in which you are invested, the Administrator will ask you on behalf of the Manager to vote about the proposed change. The Administrator cannot vote on your behalf.

5.16 Regular Withdrawal

You may also schedule regular withdrawals on a monthly, quarterly, half-yearly or yearly basis. However, should the market value of the Investment Account decrease below the required minimum balance after your withdrawal, You may be required to withdraw the remaining balance.

6 PROCESSING OF PERSONAL INFORMATION

You acknowledge that Itransact requires your personal information, as defined in the Protection of Personal Information Act of 2013 ('POPIA'), and consent to Itransact processing such information to open and administer your investment accounts. In addition, you expressly consent that Itransact may verify and process your personal information (including your voice and or biometric data) for security purposes and so as to comply with its obligations in terms of legislation. Itransact may transmit your personal information to third-party service providers for the purposes of storing and maintaining that information. Where information is transmitted to offshore providers, Itransact has confirmed that sufficient legislation and agreements are in place to ensure the protection of that information. Where directed by your financial adviser, Itransact will transmit your information to third-party service providers appointed by your adviser.

We will only use personal information about you, your beneficiaries and dependants in line with the Itransact Privacy Policy.

Please refer to the Privacy Policy on the website for information about your rights and obligation in relation to your personal information.

7 THE FSP'S ROLE AND RESPONSIBILITIES

7.1 Maintain the relevant FAIS license

The FSP appointed by you must be licensed and authorised by the Financial Services Board in terms of FAIS to provide the advice and financial services in respect of financial products in terms of their FAIS license, read with the conditions or restrictions applicable to their FAIS license. The FSP must maintain this license on an ongoing basis and must immediately inform the Administrator should the license be suspended or revoked for any reason.

7.2 Act in accordance with your mandate

The FSP must act with honesty and integrity and in accordance with your mandate in all its dealings on your behalf with the Administrator. The FSP must provide the Administrator with a copy of such mandate promptly on request, or together with the initial application form if the FSP has entered into a discretionary mandate with you.

7.3 Provide financial advice and information

The FSP gives you advice on whether the Product is suitable for your needs and meets your investment objectives. The FSP must understand and provide you with sufficient particulars and any other related financial services and documents, for you to make an informed investment decision. The FSP must specifically fully and adequately explain the information contained in this document, and the fees and charges applicable. The FSP must also explain the potential or actual consequences of replacing an existing financial product with another one, especially the costs involved.

7.4 **Client identification and screening**
 The FSP must be satisfied of your identity and of your status as a sanctioned or non-sanctioned person or entity in terms of anti-money laundering legislation and any United Nations sanctions lists before entering into a business relationship with you, or before concluding any transaction with the Administrator on your behalf. The FSP must explain the relevant FICA and other anti-money laundering requirements to you and must also explain what the consequences will be if you do not provide the Administrator with the required documents. Neither the Administrator nor the Manager shall be liable or responsible for any damages or loss as a result of any delay in the processing of the application form as a result of non-compliance with the requirements in terms of FICA, other anti-money laundering legislation and the United Nation's sanctions lists.

7.5 **Receive statements and correspondence**
 Unless otherwise instructed by you, and where relevant, the Administrator will send and/or transmit all statements, reports or other relevant correspondence or documents in respect of the investment, including this document, electronically to you and the FSP.

8 THE ADMINISTRATOR'S RIGHTS AND RESPONSIBILITIES

8.1 **Act with honesty and integrity**
The Administrator must act with honesty, fairness, skill, care and diligence in all dealings with you.

Communicate with you

8.2 **The Administrator will communicate with you via electronic means only. Any reference to "written" or "in writing" will be to an email or a fax, or a scanned document. The Administrator will communicate when this is required by law, for the purposes of carrying out its duties as Administrator or to provide you with information from the Manager that may be relevant to your investment in the Product. You may use the online servicing portal provided by the Administrator to access information about your investment. The Administrator will confirm changes to your details that have been received from you, in writing. If the Administrator can prove that it has sent any information or document to you, using contact details provided by you, the Administrator is not liable if such information or document is not received by you.**

Accept, reject and process your instructions

8.3 **The Administrator may accept or reject your application or any subsequent instructions. The Administrator may also reverse a transaction if it decides the circumstances justify it. The Administrator is not obliged to act on any instruction that is not on the Administrator's specified form. The Administrator is responsible for the processing of your instructions. The Administrator will usually process instructions according to the timelines below or within a period that is reasonable given the nature of the instruction. Sometimes the Administrator may not be able to keep to its timing standards because of factors beyond its reasonable control or extraordinary events that cause disruptions. In this case, neither the Manager, nor the Administrator is responsible for any losses due to it not adhering to its timing standards.**

New applications

Any fully and correctly completed and signed application form which has all required documentation attached, received and accepted by the Administrator, and where the contributions reflect in the applicable bank account before 11h00 on any Business Day, will be processed on the Administrator's system on the same Business Day or the Business Day thereafter. If this takes place after 11h00 on any Business Day, the application will be treated as if it had been received before 11h00 on the next Business Day. The Investor will receive the prices applicable on the day of processing. Internet banking payments may take up to 2 Business Days to reflect in the applicable bank account. Please note that in accordance with banking legislation, cheque deposits will need to undergo a clearing period of 10 calendar days within the Rand Monetary Area and 15 calendar days outside the Rand Monetary Area. The funds will therefore only be available for investment after the clearing period has lapsed.

Additional contributions

Any fully and correctly completed and signed additional investment form which has all required documentation attached, received and accepted by the Administrator, and where the funds reflect in the applicable bank account before 11h00 on any Business Day will be processed on the Administrator's system on the same Business Day or the Business Day thereafter. If this takes place after 11h00 on any Business Day, the additional investment application will be treated as if it had been received before 11h00 on the next Business Day. The Investor will receive the prices applicable on the day of processing.

Withdrawals/redemptions

Processed on the same or following Business Day, when the Administrator has received a fully and correctly completed, duly signed withdrawal form before 11h00, in order to receive value for the price on such day. If the bank details provided on the withdrawal form differ to those recorded on the Investor's account, proof of bank details must be provided before the instruction will be executed by the Administrator. Although a withdrawal will show on your statement within 2 Business Days, it may take longer for the payment to show in your bank account.

Notes:

- Investors wishing to redeem Units amounting to more than 5% of the total market value of the Product must provide the Administrator with at least 7 Business Days' written notice of such redemption. If this notice is not received by the Administrator, it may treat such withdrawal as only having taken place on the 7th Business Day after such instruction is received. However, where the amount to be redeemed exceeds 10% of the total market value of the Product, the actual date of withdrawal will be determined by mutual agreement.
- Units in the Product will be bought and sold at the net asset value price in accordance with the requirements of the Collective Investment Schemes Control Act and the relevant Deed.
- The net asset value price is calculated using the forward pricing methodology. The net asset value can be defined as the total market value of all assets in the portfolio including any income accruals and less any permissible deductions from the portfolio, divided by the number of Units in issue.
- The repurchase of Units in the Product may be suspended in terms of Cisca under specific conditions. This is referred to as ring-fencing and will delay the payment to you of any withdrawal value.

8.4 Deduct and pay fees and charges

The Administrator will collect and distribute the investment and/or transaction charges and fees payable in respect of your Investment Account.

8.5 Calculate and pay bank interest

Interest at the rate earned on the Nominee's bank account will be applied to contributions if it takes longer than 48 hours after receipt of the contribution to start processing the investment of the contribution. Interest earned in the first 48 hours is paid to the Administrator as an administration fee.

8.6 Income distributions

All income distributions from the Product will be reinvested automatically by the Administrator.

8.7 Make payments

When you withdraw a part of or the entire investment in the Product, the Administrator will make payments to you, in South African Rand via electronic fund transfer only.

8.8 Provide a tax certificate

The Administrator must provide you with a tax certificate each year, after the tax year end. The certificate is for income accrued or received and any capital gains or losses realised during the relevant tax year. You are responsible for submitting the certificate to SARS. The Administrator will send the certificate to you.

8.9 Deduct and pay Dividend Withholding Tax

The Administrator is responsible for the payment of dividend withholding tax on your behalf where relevant. The tax will be deducted before reinvestment/payment of any dividend. The amount of tax payable is based on a number of factors, e.g.residential status. The default tax rate for South African residents is currently 15%. You are responsible for informing the Administrator if you are exempt from payment of this tax, or to indicate your status to ensure the correct tax rate is applied.

8.10 Protect your personal information

The Administrator will keep your information confidential and protect it. The Administrator may however process and/or your personal information to provide financial services, prevent fraud and money laundering. The Administrator may send your personal information by electronic or other means for processing to third parties, but only with the express intention to provide you with a service related to your investment.

8.11 Regular Withdrawal

The payment date is the 25th of every month (**Except for December where income payments will be made on the 15th**). If the 25th is not a business day the payment will take place on the previous business day. All instructions need to be received at least ten business days before payment day for payment to take place that month. Any instructions received after the cut-off date will be processed for the following month's payment date.

9 FEES AND CHARGES

All the fees and charges payable in respect of your investment are set out in the application form. The fees and charges must be explained to you by your FSP. With your signature to the application form, you acknowledge, declare and confirm that you understand what fees and charges are payable.

All fees and charges are subject to change, and the Administrator will give you (three) month's written notice of such change

EXCLUSIONS, RISKS AND RESPONSIBILITY

Advice

The Manager and the Administrator do not give advice as to whether investment in the Product is suitable for you and can therefore not be held liable for any loss or damage which you may suffer, except as a result of the Administrator's own default or negligence. No communication of any nature received from the Manager or the Administrator in respect of the investment in the Product can be regarded as tax, legal, accounting or financial advice. You are responsible for obtaining your own professional advice about the consequences of this investment.

Investment guarantees

The return on your Investment Account is not guaranteed in any way and may be positive or negative. You carry all the investment risk which includes the possibility of losing capital.

Cooling-off period

A cooling-off period is a number of days after investment during which you are still entitled to terminate the investment. No cooling-off period is offered for this investment. You may however request a withdrawal of all or a part of your investment.

Losses suffered during administration

You are responsible for losses suffered as a result of:

- If you or your FSP on your behalf submit unauthorised instructions;
- If you or your FSP provide us with incorrect information;
- If a third party does anything illegal or invalid or does not do something they should have done;
- If you or your FSP fail to comply with FICA;
- If the Administrator cannot verify your bank account details;
- Any legal requirements, investment limits, timing standards, administrative practices and procedures that apply to the Product.
- If any correspondence is lost in the mail.
- A person acting for you acting beyond the scope of their authority.
- Changes in tax or other laws that affect the investment.
- The failure or delay of any networks, electronic or mechanical devices, or any other form of communication used to process instructions.
- Your FSP being in possession of or using information that you deem confidential.
- Electronic transacting, whether via telephone, other electronic means or by fax.

10.5 Loans and security cessions

You cannot obtain a loan from the Manager or the Administrator. You also cannot use the investment as security for a loan, i.e. request the Administrator to record a security cession.

10.6 Switching from the Product

You may switch between the available unit trusts. All switch transactions have two components, the sale of units from your existing unit trust and the purchase of units in another unit trust. If the market value of a unit trust from which you wish to switch is less than the minimum amount prescribed by the Administrator, the Administrator will switch the whole amount. This amount must be switched into one unit trust.

IMPORTANT DISCLOSURES

DISCLOSURE IN TERMS OF THE FINANCIAL ADVISORY AND INTERMEDIARIES SERVICES ACT 37 OF 2002

COMPANY INFORMATION

Registered Name	Automated Outsourcing Services (Pty) Ltd
Trading As	Itransact
Registration Number	1997/013802/07
FSP License Number	650
Compliance Officer	Moonstone Compliance (Pty) Ltd
Compliance Telephone	011 5616600
Compliance Email	compliance@itransact.co.za
Key Individuals	Mark Baisley, Mark Gill
Professional Indemnity and Fidelity Cover	Old Mutual Insurance

PRODUCTS APPROVED

Category I (Intermediary Services)

Long-term Insurance Category C; Retail pension benefits; Securities and Instruments: Shares, Money market instruments, Debentures and securitised debt, Bonds; Derivative Instruments; Participatory interests in Collective Investment Schemes; Deposits defined in the Banks Act – exceeding 12 months and 12 months or less; Structured Products; Participatory interest in a hedge fund.

Category III (Administrative FSP)

Long-term Insurance Category C; Retail pension benefits; Securities and Instruments: Shares, Money market instruments, Debentures and securitised debt; Derivative Instruments; Participatory interests in Collective Investment Schemes; Bonds; Long-term Deposits and Short-term Deposits; Structured Products; Participatory interest in a hedge fund.

COMPLAINTS RESOLUTION POLICY

The Administrator is committed to comply with FAIS since the purpose of this act is to protect the Investor. A complaints resolution system is in place, details of which you may obtain from the legal section on www.itransact.co.za or by contacting us.

CONFLICT OF INTERESTS MANAGEMENT POLICY

A Conflict of Interest Management Policy has also been adopted. If you have any queries in this regard, please do not hesitate to contact us.

CONTACT DETAILS

Financial Advisor Support Centre

Telephone 086 143 2383 | Fax 086 743 6959 | Email info@itransact.co.za

Investor Support Centre

Telephone 086 146 8383 | Fax 086 743 6959 | Email investor@itransact.co.za
www.itransact.co.za