

## FICA Checklist - RSA Listed Companies

### Unit Trust Scheme

## Important notes

1. Certified means certified by an approved commissioner of oaths
2. Require certified copies of all documents except for the Application Forms
3. Additional documents may be required depending on the stipulations from compliance.

**In terms of the *Financial Intelligence Centre Act, 38 of 2001 (FICA)*, Alexander Forbes Investments requires the following information from your client:**

Full name(s)

- Fully completed Application Form signed by investor.
- Confirmation on JSE website that the company is listed.

## CIS disclosures

### General

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

### Redemptions

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

### Yields

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

### Prices

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

### Performance fees for unit trusts

Performance fees are not levied on the portfolio.

### Performance fees for hedge funds

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

### Performance returns

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

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

### Valuations and transaction cut-off times for unit trusts

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

### Valuations and transaction cut-off times for hedge funds

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

### Waiver of rights

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

### Additional information

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

### Alexander Forbes Investments Unit Trust Scheme

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

### Alexander Forbes Investments QI Hedge Fund of Funds

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

### Complaints and conflicts of interest

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

### Closure of the portfolio

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

### Structure of the hedge funds

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

procedure, as prescribed in CISCA and the Deed, will be followed.

### Counterparties and prime brokers

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

### Contact details

#### CIS Manager

Alexander Forbes Investments Unit Trusts Limited  
**Registration number:** 2001/015776/06  
**Physical address:** 115 West Street, Sandown, 2196  
**Postal address:** PO Box 786055, Sandton, 2146  
**Telephone number:** + 27 (0)11 505 6000  
**Email address:** [afinvestments@alexforbes.com](mailto:afinvestments@alexforbes.com)  
**Website address:** [www.alexforbes.com/za/en/](http://www.alexforbes.com/za/en/)  
**Directors:**  
<https://www.alexforbes.com/za/en/about-us/company-directors>

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

#### Trustee, Custodian and Depositary

FirstRand Bank Limited, acting through RMB Trustee Services  
**Registration number:** 1929/001225/06  
**Physical address:** No. 3 First Place, Corner Jeppe and Simmonds Streets, Johannesburg, 2001  
**Postal address:** PO Box 7713, Johannesburg, 2000  
**Telephone number:** +27 (0) 87 736 1732  
**Email address:** [info@rmb.co.za](mailto:info@rmb.co.za)  
**Website address:** [www.rmb.co.za](http://www.rmb.co.za)

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

#### Investment Manager for unit trusts

Alexander Forbes Investments Limited  
**Registration number:** 1997/000595/06  
**FSP number:** 711  
**Insurer number:** 10/10/1/155  
**Physical address:** 115 West Street, Sandown, 2196  
**Postal address:** PO Box 786055, Sandton, 2146  
**Telephone number:** + 27 (0)11 505 6000  
**Email address:** [afinvestments@alexforbes.com](mailto:afinvestments@alexforbes.com)  
**Website address:** [www.alexforbes.com/za/en/](http://www.alexforbes.com/za/en/)

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

#### Investment Manager for hedge funds

Alexander Forbes Investments Administration (Pty) Limited  
**Registration number:** 2005/043273/07  
**FSP number:** 27584  
**Physical address:** 115 West Street, Sandown, 2196  
**Postal address:** PO Box 786055, Sandton, 2146  
**Telephone number:** + 27 (0)11 505 6000  
**Email address:** [afinvestments@alexforbes.com](mailto:afinvestments@alexforbes.com)  
**Website address:** [www.alexforbes.com/za/en/](http://www.alexforbes.com/za/en/)

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