



Investments

Introducing Unit Trusts

Highlights the reasons to invest,
key features and benefits

Enter



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Why choose a unit trust?

It all starts with a **personal goal**.

So whether it is an overseas trip, a wedding or seeing your child graduate, **every goal needs a savings plan to make it happen.**

To achieve that goal and to execute that savings plan, a unit trust allows you the opportunity to achieve capital appreciation while simultaneously generating income. Meaning any returns throughout the investment period are reinvested back into the unit trust allowing you to reap the rewards sooner than anticipated.



Factors to consider when choosing a unit trust

- How much time you have to reach your goal.
- The level of growth you want to achieve.
- The amount of investment risk you are willing to take.
- Whether you want to invest locally, offshore, or a combination of both.
- The amount you have to invest, and how frequently you want to invest.



This is not advice. You must determine your own risk profile, and you may obtain assistance from an authorised financial adviser.

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How does a unit trust work?

A unit trust **pools the money received from many investors**. This pool of funds is then invested into relevant asset classes for the particular portfolio by an appointed **portfolio manager**. This pooled money can be invested in shares (also known as equities), bonds, property, cash and other permitted security types.

The total pool is then **divided into equal units** (also called participatory interests). All units in the pool have the same value and are priced daily. As a unit trust investor, you hold a certain number of units, relevant to your portion of the portfolio. This means that your **investment will go up in value, when the unit price rises**, and down in value, when the unit price drops. If you **invest more, your number of units increases**, and if you withdraw (or redeem), your number of units decreases.

Each unit trust is managed by a registered collective investment scheme (CIS) manager, like Alexander Forbes Investments Unit Trusts Limited (Alexander Forbes Investments). CIS managers operate unit trusts within certain legislative and regulatory requirements, determined by the Financial Sector Conduct Authority (FSCA), and additional guidelines and standards set by the Association for Savings and Investment South Africa (ASISA).

By investing in a unit trust, you get the expertise of experienced investment managers, through a single investment.

A unit trust gives you flexibility to invest once-off, regularly, or adhoc (or a combination of all three). You also have the freedom to withdraw money from your investment at any time (subject to certain regulatory requirements).

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What are the benefits of a unit trust?

You choose how **you want to invest**.

You can invest:

- by regular debit order, from as little as R500 a month;
- a lump-sum amount only, starting from R30 000; or
- a combination of a regular debit order and a lump-sum investment, from as little as R500 per month, for the debit order, and no limitation on the lump sum (except for tax-free investments).

You can spread your risk

You can **reduce your risk** by investing in different asset managers and asset classes (shares, bonds, cash and property), for instance, by investing in a multi-manager unit trust. This is also commonly referred to as diversification.

You get easy access to your savings

You can withdraw some, or all, of your savings easily and usually at no cost to you. You can also set up regular withdrawal payments.

You receive fast payouts*

When you withdraw your money, you will receive payment within 24 hours of submitting your instruction (as long as all the requirements have been met, and subject to certain regulatory requirements). The payment may take up to two days to reflect in your bank account.

*For offshore portfolios, refer to the Alexander Forbes Investments Global Fund Prospectus on www.alexforbes.com/je/en

A professional manages your investment

Investment experts manage the money within the unit trusts continuously. This gives you peace of mind that your money is in good hands.

The law protects you

To protect you, there are stringent laws that regulate unit trusts. This means that unit trusts operate in a safer environment than unregulated investments.

Fees are transparent

You pay an annual service charge for your unit trust. To see the total expenses of a unit trust, look at its total investment costs (the total expense ratio and the transaction costs).

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What types of unit trusts are available?

Fund of funds

A fund of funds invests in a range of different unit trusts, depending on the nature of the specific portfolio. With a fund of funds, you have access to multiple unit trusts within a single investment. The underlying portfolios levy their own charges, which could result in a higher fee structure for the fund of funds.

Single manager unit trust

A single manager unit trust gives you access to one asset manager, with one investment management style and philosophy.

Feeder fund

A feeder fund is a unit trust that invests directly into another single unit trust that is often offshore. The underlying portfolio levies its own charges, which could result in a higher fee structure for the feeder fund.

Multi-manager unit trust

A multi-manager unit trust blends the investment management styles and philosophies of different asset managers into one unit trust. This provides an additional layer of diversification (protection), at no additional cost.

Unit trusts

What are the tax liabilities when investing in a unit trust?



This applies to **any income earned in the form of dividends and interest** in your unit trust. At the end of the tax year, we will send you an IT3(b) certificate, which gives you the details of what needs to be included on your tax return.

If you **withdraw from** your unit trust **or switch between** unit trusts, you dispose of an asset and will be subject to **capital gains tax**. At the end of the tax year, we will send you an IT3(c) certificate, which gives you the details of what needs to be included on your tax return.

Some shares pay **dividends to their shareholders**. Your dividends are paid into your unit trust. The **investment manager withholds tax** on dividends and pays it directly to SARS.

We are not a tax adviser. We are not permitted to provide tax advice. Please contact your tax adviser.

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Why consider using an accredited financial adviser?

Your adviser has the financial skills to assess your risk appetite, evaluate your current investments, discuss your objectives, and help you to control your emotions through tough market conditions.

Your adviser will work with you to assist you in determining your investment risk profile and objectives, to create a diversified, cost-effective investment portfolio tailored to your needs.

Why should you consider our unit trusts?

As the world changes, so should your approach evolve, to ensure that you can achieve the outcomes you need without the nasty surprises.

We believe the solution lies in understanding an investor's need and risk profile, and then adopting an investment approach that manages this outcome within a strict risk-controlled framework, minimising the losses so that the investment keeps growing off a higher base. A client-centric approach then guides investors along the way, managing their experience, comfort levels and behavioural biases to keep them on track to meet their goal.

Benefits of investing in our unit trusts

- You receive an additional layer of diversification, by spreading your risk across more than one asset manager in a single unit trust.
- We continually research and monitor new and existing single asset managers, with the intention of optimally structuring our unit trusts.
- The sizeable asset base of AF Investments (R385 billion assets under management as at 30 September 2023) you with an added layer of expertise (multi-management), at no extra cost.
- There are no tax implications when, as a multi-manager, we change an asset manager or rebalance the assets within our unit trusts.
- We manage transitions between asset managers, to limit increased costs and out-of-market risk - the chance of missing out on a big gain, while making a routine transfer of funds.

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Which unit trusts are available to invest in?

Classes explained

A: Indicates that it is available to individuals who invest directly into the unit trust.

D: Indicates that it is for investment via a platform (also known as a Linked Investment Service Provider or LISP for short). Currently available through Glacier Individual Client Administration (Pty) Ltd GICA), Ninety One Investment Platform (Pty) Ltd and Allan Gray Investment Services (Pty) Ltd LISPs.

T: Indicates that it is available as a tax-free savings investment.

Local unit trusts

Conservative	Moderately conservative	Moderately aggressive	Aggressive
AF Investments Enhanced Income Unit Trust (A, D)	AF Investments Conservative Passive Unit Trust (A, T)	AF Investments Aggressive Passive Unit Trust (A, T)	AF Investments Equity Fund of Funds (A, D)
AF Investments Pure Fixed Interest Unit Trust (A, D)	AF Investments Conserver Managed Unit Trust (A, D, T)	AF Investments Performer Managed Unit Trust (A, D)	AF Investments Flexible Fund of Funds (A)
AF Investments Superior Yield Unit Trust (A, D, T)		AF Investments Strategic Global Balanced Feeder Fund (A, T)	AF Investments Property Equity Unit Trust (A, T)
			AF Investments Global Equity Feeder Fund (A, T)

- Our best investment view range
- Our core specialist range

Direct offshore unit trusts

Moderately conservative	Moderate	Moderately aggressive	Aggressive
Strategic Global Conservative Fund (A)	Strategic Global Moderate Fund (A)	Strategic Global Aggressive Fund (A)	Strategic Global Equity Fund (A)
Strategic Global Balanced Fund (A)			

The risk profile is currency-based. Offshore portfolios may have additional risks depending on the specific country.

For more information about our local unit trusts, including the service charges, [click here](#). Additionally, for a full list of local unit trusts and their Minimum Disclosure Documents (MDDs), [click here](#). Please ensure that the relevant class is selected.

For more information about our direct offshore unit trusts, including the service charges, [click here](#). Additionally, for a list of the offshore unit trusts and their Minimum Disclosure Documents (MDDs), [click here](#). Alternatively, please contact our Contact Centre at 0860 333 316 for further assistance.

How to invest



Set your **goal**.



Decide on the most **appropriate investment**, to meet your investment goal. If you need guidance, speak to a financial adviser.



Decide **how much and how often** you want to invest, for example, you can invest a minimum of R500 a month and/or R30 000 as a lump sum.



Complete the application form and include the required documents. The form is available through your financial adviser or via our website.

- **local unit trusts**
- **offshore unit trusts**

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Disclaimer for offshore portfolios

This document is for information purposes only and the information in this document is not advice, as defined in the *Financial Advisory and Intermediary Services Act (No. 37 of 2002)*. This document does not form part of the Alexander Forbes Investments Global Fund (the Fund) prospectus, and is not an invitation to subscribe for participatory interests (units) in the Fund or in any of its class funds. The prospectus is available upon request from Alexander Forbes Investments Jersey Limited (the Manager). The matters set out herein should not be relied upon for the purposes of making an investment in the Fund. The Fund is an open-ended collective investment scheme, which was established in Jersey on 28 April 1997 as an unclassified fund. Unclassified funds are not covered by the Compensation for Investors (Jersey) Regulations 1988. The Fund is an unregulated collective investment scheme in the UK and its promotion in the UK is restricted by the *Financial Services Act 1986*. The Fund is a foreign collective investment scheme approved to solicit investments from members of the South African public, in terms of section 65 of the *Collective Investment Schemes Control Act (No. 45 of 2002)*. At the time of publication, the information in this document was correct. However, the information is subject to change. South African Investors should review the **Schedule of Similarities and Differences** (the Schedule), reflecting the key differences and similarities between the regulations applicable to the Fund, and those applicable to South African registered collective investment schemes.

Risks portfolio-specific

Derivatives: There is no assurance that a portfolio's use of a derivative strategy will succeed. A portfolio's management may employ a sophisticated risk management

process, to oversee and manage derivative exposures within a portfolio, but the use of derivative instruments may involve risks different from, and, in certain cases, greater than, the risks presented by the securities from which they are derived.

Exposure to foreign securities: Foreign securities within portfolios may have additional material risks, depending on the specific risks affecting that country, such as: potential constraints on liquidity and the repatriation of funds; macroeconomic risks; political risks; foreign exchange risks; tax risks; settlement risks; and potential limitations on the availability of market information. Fluctuations or movements in exchange rates may cause the value of underlying international investments to go up or down. Investors are reminded that an investment in a currency other than their own may expose them to a foreign exchange risk.

Fund of funds: A fund of funds is a portfolio that invests in portfolios of collective investment schemes (unit trusts) that levy their own charges, which could result in a higher fee structure for the fund of funds.

Feeder funds: A feeder fund is a portfolio that invests in a single portfolio of a collective investment scheme, which levies its own charges and which could result in a higher fee structure for the feeder fund.

Drawdown: The potential magnitude of loss - the largest peak-to-trough decline in returns over the period, also known as the maximum drawdown.

Liquidity: The risk that a given security or asset cannot be traded quickly enough in the market to prevent a loss (or make the required profit).

Equities: The value of equities may vary according to company profits and future prospects, as well as more general market factors. In the event of a company default, the owners of their equity rank last in terms of any financial payment from that company.

Bonds: The value of fixed income

investments (e.g. bonds) tends to decrease when interest rates and/or inflation rises. Bonds issued by major governments and companies, will be more stable than those issued by emerging markets or smaller corporate issuers. If an issuer experiences financial difficulty, there may be a risk to some, or all, of the capital invested. Any historical or current yields quoted should not be considered reliable indicators of future performance.

For a detailed description of these risks, and other risks that are relevant to the portfolio, please refer to the **Prospectus**.

General disclosure

Collective investment schemes (unit trusts) are generally medium-term to long-term investments. The value of participatory interests (units) 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 assets). The Manager does not provide any guarantee, either with respect to the capital or the return of a portfolio. Any forecasts and/or commentary in this document are not guaranteed to occur. Different classes of participatory interests apply to these portfolios and are subject to different fees and charges. A **Schedule of Fees and Charges** and maximum commissions is available on request from the Manager or click on the name to download the document. Forward pricing is used.

Specific disclosures

Income distribution

This fund is an accumulation fund and does not distribute income.

Redemptions

If you disinvest from a class fund soon after you invested in the class fund, the charges you have paid may be more than the growth on the investment. Should this happen, you will not receive the full value of your original investment amount.

Prices

Prices are published daily on our website.

Performance fees

Performance fees are not levied on the portfolio.

Valuation and transaction cut-off times

The valuation point is close of business in all financial markets on the subscription day. The subscription price will be available at 16:30 Jersey time on the following subscription day. The Manager must receive correctly completed application forms and notification of deposits before 11:00 Jersey time for the investment instruction to be carried out on that day. If received after the applicable cut-off time, the Manager will invest the money at the unit price of the following day. The 11:00 cut-off time also applies to redemptions and switches.

Additional information

For additional information on the portfolio, refer to the following documents, available on our website

www.alexforbes.com/je/en, or on request from the Manager, free of charge.

- **Prospectus**
- **Application Forms**
- **Annual Report and Half-Yearly Report**
- **Fees and Charges Schedule**

Complaints and conflicts of interest

The Manager follows the fund administrator's **Complaints Handling Procedure**, as well as the **Conflicts of Interest Management Policy**. Associates of the Manager may be invested within certain portfolios, and the details thereof are available from the Manager.

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Contact details

Manager

Alexander Forbes Investments Jersey Limited

Registration number: 67439

Physical address: 2-6 Church Street, St Helier, Jersey, Channel Islands

Telephone number: +44 (0) 1534 837837

Fax number: +44 (0) 1534 837888

Email address: AFInvestJersey@alexforbes.je

Website: www.alexforbes.com/je/en

The Manager is regulated by the Jersey Financial Services Commission.

Investment Adviser and Fund Administrator

Alexander Forbes Investments Limited

Registration number: 1997/000595/06

Physical address: 115 West Street, Sandown, 2196

Telephone number: +27 (11) 505 6000

Fax number: +27 (11) 263 1555

Website: www.alexforbes.com/za/en

The investment adviser and fund administrator is an authorised Financial Services Provider (FSP711) in terms of section 8 of the *Financial Advisory and Intermediary Services Act (FAIS)*, is a registered insurer licensed to conduct life insurance business, and through Alexander Forbes Group Holdings Limited, is a member of the Association for Savings and Investment South Africa (ASISA). This information is not advice, as defined in FAIS. Please be advised that there may be supervised representatives.

Trustee

BNP Paribas Depository Services (Jersey) Limited

Registration number: 6043

Physical address: IFC1, The Esplanade, St Helier, Jersey, Channel Islands

Telephone number: +44 (0) 1534 813800

Fax number: +44 (0) 1534 849318

The trustee is regulated by the Jersey Financial Services Commission.

Disclaimer for local and rand-denominated portfolios

Risks portfolio-specific

Derivatives: There is no assurance that a portfolio's use of a derivative strategy will succeed. A portfolio's management may employ a sophisticated risk management process, to oversee and manage derivative exposures within a portfolio, but the use of derivative instruments may involve risks different from, and, in certain cases, greater than, the risks presented by the securities from which they are derived. Exposure to foreign securities: Foreign securities within portfolios may have additional material risks, depending on the specific risks affecting that country, such as: potential constraints on liquidity and the repatriation of funds; macroeconomic risks; political risks; foreign exchange risks; tax risks; settlement risks; and potential limitations on the availability of market information. Fluctuations or movements in exchange rates may cause the value of underlying international investments to go up or down. Investors are reminded that an investment in a currency other than their own may expose them to a foreign exchange risk.

Drawdown: The potential magnitude of loss - the largest peak-to-trough decline in returns over the period, also known as the maximum drawdown.

Liquidity: The risk that a given security or asset cannot be traded quickly enough in the market to prevent a loss (or make the required profit).

Equities: The value of equities may vary according to company profits and future prospects, as well as more general market factors. In the event of a company default, the owners of their equity rank last in terms of any financial payment from that company.

Bonds: The value of fixed income investments (e.g. bonds) tends to decrease when interest rates and/or inflation rises. Bonds issued by major governments and companies, will be more stable than those issued by emerging markets or smaller corporate issuers. If an issuer experiences financial difficulty, there may be a risk to some, or all, of the capital invested. Any historical or current yields quoted should not be considered reliable indicators of future performance. Money market portfolios: A money market portfolio is not a bank deposit account.

A variable price (VNAV) is applied to a participatory interest. The total return to the investor is made up of interest received and any gain or loss made on any particular instrument, and in most cases the return will merely have the effect of increasing or decreasing the daily yield, but in the case of abnormal losses, it can have the effect of reducing the capital value of the portfolio. Excessive withdrawals from the portfolio may place the portfolio under liquidity pressures, and in such circumstances a process of ring-fencing of withdrawal instructions and managed pay-outs over time may be followed.

Fund of funds: A fund of funds is a portfolio that invests in portfolios of collective investment schemes (unit trusts) that levy their own charges, which could result in a higher fee structure for the fund of funds.

Feeder funds: A feeder fund is a portfolio that invests in a single portfolio of a collective investment scheme, which levies its own charges and which could result in a higher fee structure for the feeder fund.

For a detailed description of these risks, and other risks that are relevant to the portfolio, please refer to the „ available on the website.

General

Collective investment schemes (unit trusts) are generally medium-term to long-term investments. 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). 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.

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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

Performance fees are not levied on the portfolio.

Valuation and transaction cut-off times

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.

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.

- [Application Form for Legal Entities](#)
- [Application Form for Individual Investors](#)
- [Annual Report](#)
- [Fee and Charges Schedule](#)
- [Portfolio Summary](#)
- [Portfolio Holdings](#)
- [Founding Documents](#)

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.

Contact details

CIS Manager

Alexander Forbes Investments Unit Trusts Limited

Registration number: 2001/015776/06

Physical address: 115 West Street, Sandown, 2196

Postal address: PO Box 786055, Sandton, 2146

Telephone number: + 27 (0)11 505 6000

Email address: afinvestments@alexforbes.com

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

Directors: www.alexforbes.com/za/en/about/Company-directors.html

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

FirstRand Bank Limited, acting through RMB Trustee Services

Registration number: 1929/001225/06

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

Postal address: PO Box 7713, Johannesburg, 2000

Telephone number: +27 (0) 87 736 1732

Email address: info@rmb.co.za

Website address: www.rmb.co.za

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

Investment Manager

Alexander Forbes Investments Limited

Registration number: 1997/000595/06

Insurer number: 10/10/1/155

FSP number: 711

Physical address: 115 West Street, Sandown, 2196

Postal address: PO Box 786055, Sandton, 2146

Telephone number: + 27 (0)11 505 6000

Email address: afinvestments@alexforbes.com

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

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



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