

INVESTMENTS

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# General Terms and Conditions for Individual Investor QI Hedge Fund Scheme

## Copy to be retained by Investor

This document sets out the terms and conditions that apply to your investment in the Alexander Forbes Investments QI Hedge Fund Scheme and regulates the relationship between you and Alexander Forbes Investments Unit Trusts Limited.

<b>Act</b>	The <i>Collective Investment Schemes Control Act, 2002 (Act No. 45 of 2002)</i> , and the regulations, as amended or replaced from time to time.
<b>AFIA</b>	Alexander Forbes Investments Administration (Pty) Limited (AFIA) (Registration number: 2005/043273/07), who has been appointed as Investment Manager in terms of the Act, to manage the assets of the Alexander Forbes Investments QI Hedge Fund Scheme. AFIA is an authorised financial services provider (FSP), as a hedge fund FSP, FAIS licence number 27584.
<b>Alexander Forbes Investments</b>	Alexander Forbes Investments Unit Trusts Limited (Registration number: 2001/015776/06), who has been appointed as the collective investment scheme manager ("Manager"), in terms of the Act, to administer and manage the Alexander Forbes Investments QI Hedge Fund Scheme. Also referred to as "us" or "we".
<b>Annual Report</b>	Our <b>ANNUAL REPORT</b> that is available on our website.
<b>Auditor</b>	PriceWaterhouseCoopers Inc.
<b>Business Day</b>	Any day other than a Saturday, Sunday or official public holiday in the Republic of South Africa.
<b>Controlling person</b>	A person or entity, who exercises control over the entity (for example a shareholder, member or person with voting rights), or anyone who has management control over the business, and includes the ultimate beneficial owner, in instances where the entity is owned by another entity. In the case of a trust, the term also means the settlor (founder), the trustees, the protector (if any), the beneficiaries or class of beneficiaries, and any other natural person, exercising ultimate effective control over the trust, and in the case of a legal arrangement other than a trust, the term means persons in equivalent or similar positions. The term "Controlling Person" shall be interpreted in a manner consistent with the Financial Action Task Force (FATF) Recommendations.
<b>CRS</b>	The Common Reporting Standard, developed by the Organisation for Economic Co-operation and Development (OECD), to provide for the automatic exchange of financial account information. South Africa is a member country, so the CRS requires the South African Revenue Service (SARS) to obtain financial account information from financial institutions and automatically exchange that information with other member countries, on an annual basis.
<b>FATCA</b>	The <i>Foreign Account Tax Compliance Act</i> , which is United States legislation that aims to combat offshore tax evasion, by encouraging transparency and obtaining information on accounts held by U.S. Persons in other countries. As a foreign financial institution (as defined in FATCA), we are required to provide the United States Internal Revenue Service (IRS) (via SARS) with information about United States account holders, on an annual basis.
<b>Fund Administrator</b>	Alexander Forbes Investments Limited
<b>Income Tax Act</b>	The <i>Income Tax Act 58 of 1962</i> , as amended from time to time.
<b>Investment Account</b>	The internal account that we use, to keep record of your investment(s) in the Portfolios.
<b>Investment Administrator</b>	Maitland Group South Africa Limited
<b>Investor</b>	The person or legal entity, including a trust, that holds a Unit in a Portfolio – also referred to as "you" or "the entity".
<b>Investor Administrator</b>	Silica Financial Administration Solutions (Pty) Ltd
<b>Minimum Disclosure Document</b>	A short document that contains key information pertaining to each Portfolio. Also known as a fund fact sheet. The latest <b>MINIMUM DISCLOSURE DOCUMENT</b> for each of our Portfolios forms part of these terms and conditions, and is available from your financial adviser, or on our website. (Click on the name to access the Minimum Disclosure Document.)
<b>Net asset value ("NAV")</b>	The total market value of the underlying assets in the Portfolio, including any income accrued, less any permissible deductions from the Portfolio. Permissible deductions include brokerage fees, auditor's fees, bank charges, trustee fees, value added tax, securities transfer tax, other levies and taxes, and the service charge levied by Alexander Forbes Investments.
<b>Participatory Interest ("Unit")</b>	The equal parts into which a Portfolio is divided, which represents a proportionate interest in every underlying asset of the Portfolio. Hereafter referred to as "Unit" or "Units". The number of Units in your Investment Account depends on how much you invest, the market value of the underlying assets in the Portfolio and what the Unit Price is on the day that you buy the Units.
<b>Portfolio</b>	A fund of the Alexander Forbes Investments QI Hedge Fund Scheme that is available to you for investment. The cash received from Investors is pooled and invested into underlying assets. The investment objective of each Portfolio is different, and therefore the range or type of underlying assets in each Portfolio will be different. These Portfolios are usually referred to as "Unit Trusts" or "Funds".

<b>Portfolio Summary</b>	A short document that contains key information on all our Portfolios. Our latest <b>PORTFOLIO SUMMARY</b> forms part of these terms and conditions, and is available from your financial adviser, or on our website.
<b>Pricing Date</b>	The day on which the Portfolio is priced. The Portfolios are priced on the last day of each calendar month.
<b>Trustee</b>	The entity appointed in terms of the law as the trustee, custodian and depository of the Alexander Forbes Investments QI Hedge Fund Scheme. The Trustee is responsible for holding the investments in the underlying assets of the Portfolios, for the benefit of the Investors.
<b>Unit</b>	See the definition of "Participatory Interest".
<b>Unit Price</b>	Unit Prices are calculated on a NAV-basis. This means that a price is calculated for each Unit, by dividing the NAV of the Portfolio by the number of Units in issue.
<b>Unit Trust</b>	A collective investment scheme portfolio, in terms of which, two or more investors contribute money or other assets, hold Units and share the risk and benefit of investment, in proportion to their Units in a Portfolio.
<b>U.S. Person</b>	An individual is a U.S. Person, if they are a citizen or resident of the United States.

## 2. The agreement between you and Alexander Forbes Investments

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

## 3. General information about Alexander Forbes Investments

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

## 4. Duties of related parties

- 4.1 Trustee

The Trustee ensures that the basis on which the sale, issue, repurchase or cancellation of participatory interests effected is carried out in accordance with the Act and the deed; ensures that the selling or repurchase price of participatory interests is calculated in accordance with the Act and the deed; carries out the instructions of the Manager unless they are inconsistent with this Act or the deed; verifies that in transactions involving the assets of a collective investment scheme any consideration is remitted to it within time limits which are acceptable market practice in the context of a particular transaction; verifies that the income accruals of a portfolio are applied in accordance with the Act and the deed; enquires into and prepare a report on the administration of the collective investment scheme by the Manager during each annual accounting period; ensures there is a legal separation of assets held under custody and that the legal entitlement of investors to such assets is assured; ensures that appropriate internal control systems are maintained and that records clearly identify the nature and value of all assets under custody, the ownership of each asset and the place where documents of title pertaining to each asset are kept.
- 4.2 Alexander Forbes Investments Administration (Pty) Limited (AFIA)

As the Investment Manager of the Portfolios, AFIA is authorised in terms of the *Financial Advisory and Intermediary Services (FAIS) Act*, as a Discretionary Financial Services Provider and a Hedge Fund Financial Services Provider (FSP 27584). AFIA performs discretionary intermediary services, including those related to hedge funds, by managing the investments of the Portfolios.
- 4.3 Fund Administrator

The Fund Administrator provides administration services in respect of the Portfolios.

  - 4.3.1 The investment administration services has been outsourced to the Investment Administrator who is responsible for the valuation of underlying assets and the execution of investment and disinvestment instructions.
  - 4.3.2 The investor administration has been outsourced to the Investor Administrator who performs all administrative activities related to investors within the Portfolios.

If an actual, potential or perceived conflict of interest arises between us and the Fund Administrator or the independent third party administrator(s), it will be dealt with in accordance with our Conflicts of Interest Management Policy.
- 4.4 Auditor

The Auditor is responsible for auditing our accounting records and annual financial statements, confirms that the accounting records comply with the requirements of the Act, ensures that the financial statements are properly drawn up, and that our operations and the operation of each Portfolio are in accordance with generally accepted accounting practice and in the manner required by the Act.

## 5. Important information on Collective Investment Schemes in Hedge Funds

- 5.1 A Collective Investment Scheme is a scheme, in whatever form, in terms of which members of the public are invited, or permitted, to invest money or other assets in a portfolio, and where two or more investors contribute money or other assets to, and hold a participatory interest in, and the investors share the risk and the benefit of investment, in proportion to their participatory interest in a portfolio of a scheme.
- 5.2 Our Portfolios are administered in a scheme, in the form of a Unit Trust, in which you hold a Participatory Interest. For more information on our Portfolios and the Units, refer to the latest Portfolio Summary, each Portfolio's Minimum Disclosure Document, as well as the Annual Report.
- 5.3 Collective Investment Schemes in Hedge Funds should be considered medium to long-term investments. The value of Participatory Interests or the investment may go down as well as up. Past performance is not necessarily a guide to future performance. We do not provide any guarantee, either with respect to the capital or the investment return of a Portfolio. 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, refer to Annexure B – Hedge Fund Risk Disclosures attached to the application form. Excessive withdrawals from a Portfolio may place the Portfolio under liquidity pressures, and a process of ring-fencing of withdrawal instructions and managed pay-outs, over time, may be followed.
- 5.4 We are entitled, in our absolute discretion, without notice or on such notice as we may determine, to close a Portfolio to new investments and/or to close a Portfolio to investments from new investors and/or to accept new investments only from certain persons or groups of persons and/or to limit or suspend the creation and issue of new participatory interests, in each case on such terms as we may determine, if such restrictions will, in our view, benefit the Portfolio or the effective management thereof or for any other reason whatsoever. We may, in our absolute discretion, determine the date from which any such restrictions shall take effect, the date from which any such restrictions shall cease to apply and/or the date on which any such amended restrictions shall apply.
- 5.5 Collective Investment Schemes are traded at ruling prices and can engage in borrowing and scrip lending. Forward pricing is used. The Portfolios are valued at the end of the day using the latest available prices at close of business. The price of Units are calculated on a net asset basis, which is the total value of all the assets in a Portfolio, including any income accruals and less any permissible deductions (brokerage fees, auditor's fees, bank charges, trustee and custodian fees, value added tax, securities transfer tax, other levies and taxes, service charges and performance fees (if any)) from the Portfolio, divided by the number of Units in issue. A **SCHEDULE OF FEES CHARGES** with maximum commissions (including the Total Expense Ratio (TER), Total Costs (TC) and Total Investment Charges (TIC)) is available on request, or is available on our website (click on the name to download the document). For any given Portfolio, there may be different classes of Participatory Interests available, for which there are different fees and charges.
- 5.6 If we experience liquidity constraints on account of a repurchase request, or where there are exceptional circumstances, we may, with the consent of the Trustee suspend the repurchase of Units or partially suspend the repurchase of Units. We may also, with the consent of the Trustee and with approval from the FSCA, create a new Portfolio (a side pocket account) in order to separate illiquid assets from liquid assets. If we create a side pocket account, we will clearly describe the assets that are to be placed in the new Portfolio; the new Portfolio will be closed ended, restricted to investors who are in the corresponding Portfolio at the time when the side pocket account was created; we will ensure the fair valuation of the assets in the new Portfolio, we will ensure that the assets in the new Portfolio are realized as soon as they become liquid; and we will follow any directions issued by the FSCA.
- 5.7 A fund of hedge funds Portfolio is a Portfolio that, apart from having assets in liquid form, only invests in other hedge fund portfolios, which levy their own charges. This could result in the investment in a fund of hedge funds portfolio being more expensive than an investment in a hedge fund portfolio that is not a fund of hedge funds portfolio.
- 5.8 The Alexander Forbes Investments hedge funds are fund of funds portfolios valued on a Net Asset Value basis (NAV). Each of the appointed underlying portfolios are valued and priced independently and the prices are published to the market. Alexander Forbes Investments value the fund of funds portfolio as the sum total of the underlying participatory interests owned in these portfolios, less permissible deductions (e.g. audit fees, service fees and bank charges) for each class. The NAV is calculated on a forward pricing basis by dividing the NAV by the number participatory interests (units) in issue for each class.
- 5.9 Certain Portfolios may include foreign securities, which may pose additional risks on the Portfolio, depending on the jurisdiction. Additional risks that should be considered include, but may not be limited to potential constraints on liquidity and the repatriation of funds, settlement risks, macro-economic risks, political risks, foreign exchange risks, tax risks, and potential limitations on the availability of market information. Fluctuations or movements in exchange rates may cause the value of underlying international investments to up or down. An investment in a currency other than your own may expose you to a foreign exchange risk.
- 5.10 An investment in a Portfolio may earn interest and dividends from the underlying assets. If such interest and dividends are more than the expenses in the Portfolio, an income distribution is declared. You may be liable for tax on such income distributions. It is your responsibility to ensure that you are familiar with or take advice in respect of the tax implications on your investment in the Portfolios.
- 5.11 The various Portfolios declare income distributions on the last Business Day of the months, as indicated on the latest Portfolio Summary, or in each Portfolio's latest Minimum Disclosure Document.

## 6. What does not apply to this agreement?

- 6.1 Cancellations  
Cooling-off periods are not applicable to this investment. You are allowed to sell your Units, but your instruction to sell your Units will only be processed on a Pricing Date. If we receive your instruction at least five (5) Business Days before the Pricing Date, we will process your instruction on that Pricing Date. If we receive your instruction less than five (5) Business Days before the Pricing Date, we will only process your instruction on the next Pricing Date. If you disinvest from the Portfolio soon after you invested in the Portfolio, the charges you have paid may be more than the growth on the investment. Should this happen, you will not receive the full amount of your original investment.
- 6.2 Investment guarantees  
We do not provide any guarantee on the capital or the return of your investment. You carry the full investment risk and must make sure that you understand the relationship between your investment objectives, the investment and the risk and returns of the investment. Investment in a hedge fund portfolio involves a high degree of risk, and it is possible for you to lose some, or all, of the money that is invested.
- 6.3 Advice  
We will not provide any advice on your investment choices. It is your responsibility to obtain financial advice on your investment choices.
- 6.4 Certain losses suffered  
We will not be responsible for any losses suffered by you, as a result of:
  - financial advice given by your financial adviser
  - errors made by a financial product provider
  - the investment or market risk of the Portfolios
  - changes in tax or other legislation
  - delays in the processing or the rejection of an application, because your financial adviser is not an authorised financial services provider, or does not have a contract with the Administrator
  - your financial adviser carrying out duties, which his or her category of financial services provider license do not allow
  - the failure of any networks or electronic or mechanical devices
  - Alexander Forbes Investments providing your appointed financial adviser with details about this investment, either via telephone, email, fax or secure website
  - Alexander Forbes Investments acting on information sent electronically
  - Alexander Forbes Investments acting on incorrect information, where you have failed to notify them of any changes to such information.

## 7. What transactions can you perform?

### 7.1 Invest

You may invest in the Portfolios by buying Units. You can buy Units by making the following contributions:

- Initial lump sum
- Additional lump sum

### 7.2 Switch

Although an immediate switch between Portfolios is not possible (due to monthly pricing of portfolios), you can disinvest from a Portfolio on a specific Pricing Date, and invest into another Portfolio on the next Pricing Date (i.e. separate disinvestment and investment).

### 7.3 Transfer to another product provider

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

### 7.4 Disinvest (request a repurchase)

You may, at any time, disinvest from the Portfolio, but your instruction to disinvest will only be processed on a Pricing Date. If we receive your instruction at least five (5) Business Days before the Pricing Date, we will process your instruction on that Pricing Date. If we receive your instruction less than five (5) Business Days before the Pricing Date, we will only process your instruction on the next Pricing Date. We will repurchase the disinvested Units at the applicable Unit Price and pay the repurchase amount within one (1) calendar month. We will not pay the repurchase amount to a third party bank account – payment can only be made to your bank account. We will not be liable to pay interest on any repurchase amount for the period between the Pricing Date and the actual date of payment thereof. If you disinvest from the Portfolio soon after you invested in the Portfolio, the charges you have paid, may be more than the growth on the investment. Should this happen, you will not receive the full value of your original investment amount.

If we experience liquidity constraints on account of a repurchase request, or where there are exceptional circumstances, we may, with the consent of the Trustee suspend the repurchase of Units or partially suspend the repurchase of Units. We may also, with the consent of the Trustee and with approval from the FSCA, create a new portfolio (a side pocket account) in order to separate illiquid assets from liquid assets. If we implement any of these measures, we will at all times comply with the requirements of the Act and the need to protect the interests of investors. We will ensure that affected investors are properly informed as soon as practically possible of all relevant information pertaining to such measures. Also refer to 5.6 above with regards to the requirements that apply to side pocketing.

### 7.5 Transfer ownership (outright session)

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

### 7.6 Security cession

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

## 8. What are your responsibilities in terms of this agreement?

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

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

8.3 You must make informed financial decisions.

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

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

8.4 You must select the Portfolios and monitor your investments in the Portfolios.

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

8.5 You must select your income distribution preference.

Your investment may earn interest and dividends from the underlying assets. If such interest and dividends are more than the expenses in the Portfolio, an income distribution is declared. You need to indicate whether you prefer the income distribution to be reinvested in the Portfolio, or to be paid directly into your bank account. If you have not indicated your preference, we will reinvest your income distribution in your current Portfolio. If you have indicated that we must pay income distribution into your bank account, we may refuse your application if, due to the size of your investment, payment of income distributions would be disruptive to the management of the Portfolio.

8.6 You must provide information on your tax residency, for purposes of FATCA and CRS.

You must provide information on all the countries in which you are resident for tax purposes, and indicate your FATCA and CRS classification status. Where applicable, each Controlling Person must complete a self-certification (see Section 4 in Annexure A of the application form) to confirm their tax residency.

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

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

## 9. Instructions to Alexander Forbes Investments

9.1 We must receive correctly completed application forms and notification of deposits at least five (5) Business Days before a Pricing Date, for the investment instruction to be carried out on that Pricing Date. If received less than five (5) Business Days before a Pricing Date, we will invest the money at the Unit Price of the next Pricing Date. This cut-off time also applies to disinvestments and switches.

9.2 You, or your financial adviser, are responsible for giving us, and our representatives, complete and correct instructions, whether by fax, mail or email, and to make sure that we have received the instructions. We may withhold processing of any unclear, incomplete or ambiguous documents or instructions received from you. The onus is on you, or your financial adviser, to prove that we, or our representatives, have received and carried out any instructions. A fax confirmation, or printed copy of a sent email, will not be regarded as proof (evidence) that we received a document or instruction.

### 9.3 Time lines for execution of transactions

We will process and complete transactions within the time periods applicable at the time of the transaction. The current time periods are listed in the table below.

Instruction	Cut-off time for receipt of instruction and all requirements	Instruction will be processed on	Units will be purchased/sold on	Units will be valued on <sup>1</sup>
Investments	Before 13:00 five (5) Business Days before Pricing Date <sup>2</sup>	Pricing Date	Pricing Date	Pricing Date
	After 13:00 five (5) or less Business Days before Pricing Date	Next Pricing Date	Next Pricing Date	Next Pricing Date
Disinvestments <sup>3</sup>	Before 13:00 five (5) Business Days before Pricing Date <sup>2</sup>	Pricing Date	Pricing Date	Pricing Date
	After 13:00 five (5) or less Business Days before Pricing Date	Next Pricing Date	Next Pricing Date	Next Pricing Date

<sup>1.</sup> The QIHF's are valued on the last day of each calendar month. The Pricing Date is the last day of each calendar month. We use the valuation as at the Pricing Date, for the purposes of your instruction.

<sup>2.</sup> The Pricing Date is the day on which the Portfolios are priced. For these Portfolios, the Pricing Date is the last day of each calendar month.

<sup>3.</sup> We will disinvest from your Portfolio(s) once you have met all requirements.

### 10. What are our responsibilities in terms of this agreement?

- 10.1 We must administer the Alexander Forbes Investments QI Hedge Fund Scheme and your investments in Portfolios.
- 10.2 We will communicate with you, by way of your chosen communication method. If you have not indicated your preference, you will receive communication by email. If you have not provided an email address, you will receive communication by post.
- 10.3 We will send you quarterly statements by way of your preferred method of communication within a month of quarter end. Additional statements are available from your financial adviser, our Contact Centre – 0860 333 316, or our website – [www.online.alexanderforbesinvestments.co.za](http://www.online.alexanderforbesinvestments.co.za).
- 10.4 We will send you certificates of income and capital gains and losses, for taxation purposes, where applicable. Additional certificates are available from your financial adviser, our Contact Centre – 0860 333 316, or our website – [www.online.alexanderforbesinvestments.co.za](http://www.online.alexanderforbesinvestments.co.za)
- 10.5 We will not disclose your personal information to any person or entity, other than in accordance with your consent, given under the "Protection of Personal Information" section in the application form, or unless we have to disclose such personal information, to give effect to this agreement, to administer your investments, or if we are required by law or court order, to disclose your personal information.

### 11. Unclaimed assets

- 11.1 It is your responsibility to keep your information up to date. If we cannot get hold of you using the details you provided, we may request a tracing company, to trace you, after a prescribed period. We will only do this once.
- 11.2 You confirm that, by providing your personal information, you give us permission to share your personal information with a tracing company, in order for them to help us trace you. You further confirm that, when you provide us with personal information on any other person, they have given you permission to disclose their information to us.
- 11.3 We will incur any reasonable direct administrative, management and tracing costs, in respect of your unclaimed investment. We will recover such costs from you, by a deduction from the value of your investment, once you have been located.

### 12. What happens when you die?

- 12.1 We must be notified of your death, in writing. The notification must include:
  - Your investor number
  - Your name and identity number
  - A certified copy of your death certificate
  - The deceased estate's tax registration number (to be obtained by the executor).
- 12.2 Your executor must provide a certified copy of the Letter of Executorship, before we will process any instruction.

### 13. Charges and deductions

- 13.1 Permissible deductions

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

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

We do not levy any initial or ongoing administration charges.
- 13.4 Exit or termination charge

We do not levy a charge when you disinvest your Units.
- 13.5 Performance fee

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

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

You may agree to pay an additional ongoing adviser charge, to your appointed adviser. We will pay your financial adviser the annual adviser charge, which you have agreed on, in the application form or other acceptable written confirmation. We will deduct, and account, for these charges in your Investment Account. The ongoing adviser charge is expressed annually, payable monthly, and charged daily, calculated on the daily market value of the assets. The ongoing adviser charge, agreed on, payable to your appointed financial adviser, is deducted monthly, through the sale of Units from the nominated Portfolios.

#### 14. Governing law

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

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

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

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

#### 15. Conflict of interest

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

Our **CONFLICT OF INTEREST MANAGEMENT POLICY** is available on our website. (Click on the name to download the document.)

#### 16. Fair treatment

All investors are treated in the same manner unless their repurchase is subject to a liquidity constraint in the Portfolio. We do not enter into any special repurchase arrangements and no investor will receive preferential treatment.

#### 17. What to do if you have a complaint

All investors are treated in the same manner unless their repurchase is subject to a liquidity constraint in the Portfolio. We do not enter into any special repurchase arrangements and no investor will receive preferential treatment.

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

**Email:** [afinvestcontactcentre@alexforbes.com](mailto:afinvestcontactcentre@alexforbes.com)  
**Telephone:** Please address all complaints to our Contact Centre at 0860 333 316  
**Physical address:** Visit us at Alexander Forbes Investments, 115 West Street, Sandown, 2196  
**Mail:** Complaints Management Head Compliance Department  
PO Box 786055  
Sandton  
2146

Our **COMPLAINTS HANDLING PROCEDURE** document is available on our website. (Click on the name to download the document.)

Alternatively you can send written complaints and supporting documents to:

The Compliance Officer  
Alexander Forbes Investments Unit Trusts Limited  
PO Box 786055  
Sandton  
2146

#### 18. Manager details

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

<b>Physical address:</b>	<b>Postal address:</b>
115 West Street Sandton 2196	PO Box 786055 Sandton 2146

**Fax Number:** +27 (0) 11 263 6142

**Contact Centre number:** 0860 333 316

**Transactional email:** [afinvestinstructions@alexanderforbesinvestments.co.za](mailto:afinvestinstructions@alexanderforbesinvestments.co.za)

**Website:** [www.alexforbes.com/za/en/](http://www.alexforbes.com/za/en/)

**General queries email:** [afinvestcontactcentre@alexforbes.com](mailto:afinvestcontactcentre@alexforbes.com)

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

#### 19. Trustee details

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

**Registration number:** 1929/001225/06

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

**Postal address:** PO Box 7713, Johannesburg, 2000

**Telephone number:** +27 (0) 87 736 1732

**Email address:** [info@rmb.co.za](mailto:info@rmb.co.za)

**Website address:** [www.rmb.co.za](http://www.rmb.co.za)

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

#### 20. Investment manager details

Alexander Forbes Investments Administration (Pty) Limited (**Registration Number:** 2005/043273/07).

<b>Physical address:</b>	<b>Postal address:</b>
115 West Street Sandown 2196	PO Box 786055 Sandton 2146

Alexander Forbes Investments Administration (Pty) Limited is a licensed financial services provider (FSP), as a hedge fund FSP, in terms of Section 8 of the *Financial Advisory and Intermediary Services Act, 37 of 2002*, as amended, FAIS licence number 27584. This information is not advice, as defined in the Act. Please be advised that there may be representatives acting under supervision. **FAIS Licence Number:** 27584.

## CIS disclosures: CIS in hedge funds

### 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.

**Hedge fund of funds:** A hedge 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.

**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 **CIS RISK DISCLOSURE DOCUMENT**, available on the website.

Collective Investments (unit trusts) are generally medium-term 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. 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. 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**, with 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

A Qualified Investor Hedge Fund (QIHF) can borrow up to 10% of the value of the portfolio, for redemptions of participatory interests. The ability of a portfolio to repurchase, is dependent upon the liquidity of the securities and cash of the portfolio. A manager may, in exceptional circumstances, suspend repurchases for a period, subject to regulatory approval, to await liquidity, and the manager must keep the investors informed about these circumstances.

### Performance fees

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.

Lump-sum investment performances 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 portfolio. 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. Actual annual figures are available to the investor on request.

### Prices

**PRICES** are published daily in the Business Report (South Africa's National Financial Daily).

### Valuation and cut-off times

The 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.

### Closure of the portfolio

The manager shall, in its absolute discretion, without notice or on such notice as it may determine, be entitled from time to time to close the portfolio to new investments and/or to close the portfolio to investments from new investors and/or to accept new investments only from certain persons or groups of persons and/or to limit or suspend the creation and issue of new participatory interests, in each case on such terms as it may determine, if such restrictions will, in the manager's view, benefit the portfolio or the effective management thereof or for any other reason whatsoever. The manager shall, in its absolute discretion, determine the date from which any such restrictions shall take effect, the date from which any such restrictions shall cease to apply and/or the date on which any such amended restrictions shall apply.

### Structure of the portfolio

The portfolio was established as a collective investment scheme trust arrangement on 26 May 2016, with the conversion process being completed on 1 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.

### Additional information

For more information on the portfolio, refer to the following documents, available from your financial adviser, or on request from the Manager, at no additional cost.

- **ANNUAL REPORT**
- **FEE AND CHARGES SCHEDULE**
- **PORTFOLIO SUMMARY**

### Complaints

The **COMPLAINTS HANDLING PROCEDURE**, and the **CONFLICTS OF INTEREST MANAGEMENT POLICY** are available on the website.

Associates of the manager may be invested within certain portfolios, and the details thereof are available from the manager.

### Contact details

#### Management Company (Manager)

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

**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:** afindvestments@alexforbes.com

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

**Board members:** www.alexforbes.com/za/en/about-us/company-directors

#### Trustee, Custodian and Depository

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

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

#### Investment Manager

Alexander Forbes Investments Administration (Pty) Limited, **Registration number:** 2005/043273/07 is a licenced authorised Financial Services Provider (FSP), as a hedge fund FSP, in terms of Section 8 of the *Financial Advisory and Intermediary Services Act, No. 37 of 2002*, as amended, FAIS licence number 27584. The address is the same as the Manager. This information is not advice, as defined in the Act. Please be advised that there may be representatives acting under supervision.