

## Legal terms

### 1 Definitions

- 1.1 **Absa** means Absa Bank Limited;
- 1.2 **Act** means the Collective Investment Schemes Control Act No 45 of 2002;
- 1.3 **BAGL** means Barclays Africa Group Limited and all its subsidiaries including Absa and us;
- 1.4 **Business Day** means any day of the week other than a Saturday, Sunday or a public holiday;
- 1.5 **Cap/Capping** means our decision to suspend the acceptance of further investments into a Portfolio;
- 1.6 **Deed** means the Scheme's main deed;
- 1.7 **Feeder Fund** means the Absa Global Core Equity Feeder Fund;
- 1.8 **Form** means the application form completed and signed by you including these Terms;
- 1.9 **Income** means distributions, returns, yield, dividend or any other like earnings.
- 1.10 **Money Market** means the Absa Money Market Fund, being the Portfolio for our money market investments;
- 1.11 **NAV** means Net Asset Value. Prices are calculated on a NAV basis, which is dependent on the total value of all assets in a Portfolio including any income accruals and less any permissible deductions from the Portfolio divided by the number of Units in issue. Permissible deductions include brokerage, securities transfer tax, auditor's fees, bank charges, trustee/custodian fees and the service charge levied by us;
- 1.12 **Non-business days or Non-dealing Days** means the days that will be communicated to us as such by the manager of the Feeder Fund and which we will communicate to you as and when communicated to us by the manager of the Feeder Fund
- 1.13 **Portfolio(s)** means the collective investment scheme portfolios administered and managed by us;
- 1.14 **Repurchase** means to sell a Unit(s);
- 1.15 **Ring-fence(ing)** means the suspension of Repurchases by us on any Business Day in terms of the Act;
- 1.16 **Scheme** means the Absa Unit Trust Scheme administered and managed by us;
- 1.17 **Shell Bank** means a credit institution or financial institution, or an institution that carries out activities equivalent to those carried out by credit institutions and financial institutions, incorporated in a jurisdiction in which it has no physical presence, involving meaningful mind and management, and which is unaffiliated with a regulated financial group;
- 1.18 **TER** means Total Expense Ratio;
- 1.19 **Terms** means these legal terms;
- 1.20 **Trigger Event** means the return by a bank of any income or repurchase payments made by us into your bank account or the return by the post office of any communication sent by us to you or any other event which we may deem to necessitate undertaking a trace for you;
- 1.21 **Unclaimed Assets** means any assets or benefits due to you as a result of investments placed with us and which remain under our management and administration after the happening of a Trigger Event;
- 1.22 **Unit(s)** means any interest, undivided share, interest share or participatory interest, whether the value of which constant or varies from time to time, which may be acquired by you in a Portfolio;
- 1.23 **Unit Price** means the price paid for a Unit in a Portfolio calculated by dividing the NAV by the number of Units in issue;
- 1.24 **Unit Trust(s)** means a collective investment scheme;
- 1.25 **us/we/our** means Absa Fund Managers Limited;
- 1.26 **US Person** means:
- any citizen of the United States of America ("US") or natural person resident in the US;
  - any partnership or corporation organised or incorporated under the laws of the US;
  - any estate of which any executor or administrator is a US Person;
  - any agency or branch of a foreign entity located in the US;
  - any trust of which any trustee is a US Person;
  - any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporate or resident in the US;
  - any partnership or corporation if:
    - i) organised or incorporated under the laws of any foreign jurisdiction; and
    - ii) formed by a US Person principally for the purpose of investing securities not registered under the Securities Act of 1933 of the US.
- 1.27 **you** means you, the investor.

### 2 One Agreement

- 2.1 The Form together with the required supporting documents will form the basis of the contract between you and us. Words defined in these Terms have the same meaning when used in the Form and our other forms.
- 2.2 You apply to invest in the Portfolios in accordance with the provisions of the Deed and any supplemental deeds executed thereafter as at the Unit Price as per clause 3.4 below.
- 2.3 We reserve the right to change these Terms when required by legislation, our operations or business needs.
- 2.4 Where the changes are relevant, we will advise you of the changes and how they affect you. You agree to check our Terms, on the applicable channels, from time to time.
- 2.5 You agree to be bound by the latest version of our Terms as amended.
- 2.6 In the event of any changes to your personal details, you agree to inform us as is required by the Financial Intelligence Centre Act (FICA).
- 2.7 We will not process your application unless we have received all of the relevant documentation required, as set out in FICA and our new business requirements process. We reserve the right to request further documentation as we may require.

- 2.8 The address you have provided on the Form shall be used for all notices and processes to be given to you.
- 2.9 We may, on notice to you, cede, assign, transfer and delegate any of our rights and obligations under these Terms to another entity or person without requiring your consent.
- 2.10 Your funds and income shall at all times be kept and remain separate from our own funds.

### 3 Your Instructions

- 3.1 We will only accept written instructions from you or your appointed financial adviser. The written instructions may be sent to us by hand, via the postal service, facsimile, email internet site or any other electronic medium.
- 3.2 You authorise us to act upon your instructions completed on the relevant form received by facsimile, email, internet site or any other electronic medium. You confirm that any electronic record of instructions and applications received and processed by us as aforesaid will constitute proof of the contents of such instructions and applications. You also agree that this authorisation shall remain in force until notice in writing of its termination is received by us and any such notice shall not affect the completion of transactions already initiated under this authorisation.
- 3.3 We will not process any unclear, incomplete or ambiguous instructions sent to us by you or your financial adviser. It is your responsibility to ensure that we have received any instructions you have sent to us by facsimile, email or any other electronic form. After forwarding an instruction to our client service centre number, as stipulated in the Form, you must confirm that we are in receipt of such instruction.
- 3.4 We shall not be held liable for any and all claims, losses and/or damages whether indirect, special or consequential and/or any expense of any nature whatsoever which you may incur or suffer as a result of any instructions not being processed timeously by us due to instructions being unclear, incomplete or ambiguous.
- 3.5 All instructions for transactions received at or before 15h30 will be traded at that Business Day's ruling price. Instructions received after 15h30 will be traded at the next Business Day's ruling price.
- 3.6 You hereby indemnify and hold us harmless for any direct losses or damages you may suffer as a result of sending instructions or documents by facsimile or email or us acting on any purported faxed or electronically mailed instructions or documents sent from your facsimile number or electronic mail address. Any instructions or documents sent via facsimile, email, internet site or any other electronic medium, are at your own risk, including the risk of delay, non-receipt or third party interception.
- 3.7 We will use our reasonable endeavours to ensure that we carry out your instructions within a period reasonable to the nature of the instruction, and in accordance with our own timing standards set out in the Form. However, there may be circumstances beyond our control which might lead to us not being able to adhere to our timing standards.

### 4 Portfolio Selection and Income Distribution

- 4.1 The choice of Portfolio is always yours. In selecting the Portfolio, you acknowledge that you did not rely on any information supplied by us and that you made your selection on your own accord.
- 4.2 We do not guarantee the performance of the Portfolio and shall not in any way be liable for the performance or non-performance of the Portfolio you have selected.
- 4.3 Except where otherwise stated, Income distributions are made at regular intervals for all Portfolios. Distributions are declared as specified in the Deed and applicable supplementary deeds. You can refer to the latest minimum disclosure document for more details.

### 5 NAV and TER of Portfolio

- 5.1 You apply to invest in the Portfolios at the Unit Price determined at the close of the Business Day we receive your Form and the money to be invested. This is on condition that we receive these before 15h30.
- 5.2 If the Form or money is received after 15h30, the following Business Day's Unit Price will be used to calculate the purchase value of a Unit.
- 5.3 The TER of a Portfolio is a measure of the Portfolio's assets that were relinquished as operating costs expressed as a percentage of the daily average value of the Portfolio calculated over a period of usually a financial year. Typical expenses which are deducted from a Portfolio include annual service charges, taxes, trustee fees and audit fees. The latest TERs are displayed on the minimum disclosure documents of the relevant Portfolios.
- 5.4 A higher TER does not necessarily indicate a poor return. A low TER does not indicate a higher return.
- 5.5 The current TER cannot be regarded as an indication of a future TER. The TER of Portfolios not older than 6 (six) months cannot be accurately determined.

### 6 Repurchase of Units

- 6.1 We undertake to Repurchase Units at the price calculated according to the Act and the relevant Deed.
- 6.2 We are entitled to invoke Ring-fencing on Repurchases or switch instructions, the aggregate amount of which is more than 5% (five percent) of the NAV of the Portfolio.
- 6.3 Repurchase payments will only be made to your elected bank account. We will not make payments into a bank account registered in the name of another person.
- 6.4 Where the Units being Repurchased have been ceded, the written consent of the cessionary, or alternatively, proof that the cession has been cancelled must be provided before the Repurchase can be processed.
- 6.5 If we receive conflicting Repurchase instructions, we reserve the right not to act on such instructions received and we shall not be held liable for any and all claims, losses and/or damages whether indirect, special or consequential and/or any expense of any nature whatsoever which you may incur or suffer as a result of the instruction not being processed timeously by us due to the aforesaid.

### 7 Fees and Charges

In respect of fees payable, the following will apply:

- 7.1 we will deduct the initial or annual adviser fees or both, by selling Units from your Portfolio and then pay the fees to your appointed financial adviser. You agree to inform us if you cancel or change your agreement to pay to fees to your appointed financial adviser; and
- 7.2 we will charge an annual management fee and where applicable, initial fees as reflected on the Form.

In respect of charges payable, the following will apply:

- 7.3 service charges for each Portfolio are accrued daily and levied monthly on the market value of the Portfolio;
- 7.4 transactional charges will apply for cheque and cash withdrawals from Absa automatic teller machines and Absa branches where account balances are below R100 000 (one hundred thousand Rands) on the Money Market. These transactional charges are applied by Absa and will accrue directly to Absa and not us;

- 75 brokerage and securities transfer tax, auditor's fees, bank charges, trustee fees are levied against the Portfolios; and  
76 depending on your classification, investments in certain Unit Trusts will be placed in either the Class A or such other class as may be available in accordance with our policy. These different fund classes levy different fees and charges.

## 8 Capping and Closing of Portfolios

### Capping

- 8.1 Should we decide to Cap any Portfolio, we will inform you of the Cap and also request your instructions about which Portfolio we should invest your further monthly contributions.  
8.2 If we do not receive instructions from you about where to invest your contributions, we will invest the contributions in the Money Market until the Cap is lifted or we receive your instructions.  
8.3 After the lifting of the Cap, we will reinvest your contributions from the Money Market into the relevant Portfolio.

### Closing

- 8.4 We have the right to close down a Portfolio in which event we will send you a prior notification of the closure.

## 9 Unit Trust Disclosures

You acknowledge that you are aware of the following:

- 9.1 there are risks associated with investments in Unit Trusts;  
9.2 investments in Unit Trusts are generally medium- to long-term investments;  
9.3 the value of Units may go down as well as up. Past performance is not necessarily a guide to future performance;  
9.4 fluctuations or movements in exchange rates may cause the value of underlying international investments in Portfolios to move up or down;  
9.5 Unit Trusts are traded at ruling prices;  
9.6 we may borrow up to 10% (ten percent) of the market value of a Portfolio to accommodate insufficient liquidity;  
9.7 securities in a Portfolio may be lent to borrowers subject to such conditions as are imposed by the Deed;  
9.8 Income from the Portfolios is distributed monthly, quarterly and half-yearly and may only be paid out into an account as nominated by you;  
9.9 Unit Trusts are financial products and not investments in insurance policies with an insurer and therefore cooling-off periods do not apply;  
9.10 we do not provide any guarantee either with respect to the capital or the return of a Portfolio;  
9.11 in respect of Portfolios that derive their income primarily from interest-bearing instruments, the yield is current;  
9.12 our directors and personnel may be invested in any of the Portfolios;  
9.13 we hold professional indemnity cover;  
9.14 your funds and investments in the Portfolios shall at all times be kept and remain separate from our own funds;  
9.15 we are a full member of the Association for Savings and Investment SA;  
9.16 investments in Portfolios with foreign securities may involve various material risks which include, potential constraints on liquidity and the repatriation of funds, macroeconomic, political, foreign exchange, tax and settlement risks and potential limitations on the availability of market information; and

In respect of investments into the Money Market, you acknowledge that you are aware that:

- 9.17 the Money Market is not a bank deposit account;  
9.18 a constant Unit Price of R1,00 (one Rand) will be maintained although, owing to circumstances, it may be changed to a lower amount;  
9.19 your total return is made of interest received and any gain or loss made on any particular instrument;  
9.20 in most cases the return will merely have the effect of increasing or decreasing the daily yield but in cases of abnormal losses it can have the effect of reducing the capital value;  
9.21 the yield is calculated using an annualised 7 (seven) day rolling average; and  
9.22 excessive withdrawals may place liquidity pressures and in such circumstances a process of Ring-fencing of withdrawal instructions and managed pay-outs over time may be followed.

If you are invested in the Feeder Fund, you acknowledge that you are aware that:

- 9.23 the Feeder Fund is a feeder fund;  
9.24 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;  
9.25 there may be Non-business and Non-dealing days which may be applicable to the Feeder Fund.  
9.26 Income is declared annually in December and distributed in January of the following year;  
9.27 the Feeder Fund does not invest in bearer shares unless such bearer shares are deposited with a regulated financial institution which is subject to anti-money laundering and counter-terrorist financing requirements equivalent to those of the Financial Action Task Force and whose compliance with such requirements is supervised by the relevant regulator;  
9.28 the Feeder Fund does not offer shares or accept orders to acquire shares, directly or indirectly, from Shell Banks.

## 10 Disclosures on Unclaimed Assets

You acknowledge that you are aware of the following:

- 10.1 Your right to your Unclaimed Assets will remain intact until they have been paid to you, regardless of the timeframe.  
10.2 Upon the happening of a Trigger Event, we will take the following steps in an attempt to contact or trace you:
- Within 6 (six) months of the happening of a Trigger Event, we will contact you in order to advise you of your Unclaimed Assets, using both internal and external information available to us;
  - Within 3 (three) years after the happening of a Trigger Event, we will contact you in order to advise you of your Unclaimed Assets, using both internal and external information available to us. Should we reach you and inform you of your Unclaimed Assets and you do not act on our information, we will not take any further steps; and
  - Within 10 (ten) years after the happening of a Trigger Event, we will contact you in order to advise you of your Unclaimed Assets, using both internal and external information available to us. Should we not be able to reach you, we will request an external tracing company to trace you.

- 10.3 You are and will remain responsible for ensuring that your contact information with us is at all times kept up to date.
- 10.4 There will be direct administrative, tracing and management costs associated with Unclaimed Assets and which may change from time to time and such changes will be communicated to you in writing during the existence of your relationship with us.
- 10.5 As a condition of your investment in the Portfolios, we are entitled to recover any reasonable direct administrative, tracing and management costs from you by deducting these costs from the value of your Unclaimed Assets once we have located you.
- 10.6 Where applicable, your Unclaimed Assets will be invested in the Money Market until such time as we have been able to trace you and you give us different instructions.
- 10.7 For the purpose of facilitating your tracing in the future, you hereby consent to us sharing your personal information with our appointed external tracing company, in compliance with legislation relating to the sharing of personal information.

## 11 Our Limited Liability

- 11.1 We will not be liable for any damages or losses of any nature arising out of our failure to attend to instructions due to occurrences beyond our control.
- 11.2 We will not be liable for any loss incurred due to incorrect information being supplied by you.
- 11.3 You agree that we will not be liable for the results of market influences and consequent changes in Unit Prices and you thus bear the total risk associated with the investment.
- 11.4 You exempt us from any liability for any loss or damage you may suffer due to your investment in a Portfolio, including any loss as a result of the reduction in value of a Portfolio which you may suffer except where such damage arises directly our negligence, unlawful conduct or fraud.
- 11.5 We do not and have not furnished you with any financial advice and you agree that you have consulted your financial adviser before making your investment.
- 11.6 Despite our rights under any law, you agree that we shall be entitled to recover from you any amount of money paid to you in error or which you are not in any way entitled to, including interest on it calculated Absa's lending rate.

## 12 Taxes and Payment

- 12.1 Unless you are exempt and have provided us with a signed declaration form to this effect, your investment may be subject to dividend and interest taxes, at the prescribed rate of 15% respectively. We are required by law to withhold dividend and interest taxes and pay it over to the South African Revenue Services (SARS).
- 12.2 Any capital gain realised on the disposal of a Unit is subject to capital gains tax (CGT). We are obliged to report to SARS on the weighted average cost method for CGT purposes.
- 12.3 You further understand that the legal and tax environment is continually changing, and that we cannot be held responsible for any changes to legislation which might have an effect on your investment, and which did not exist at the time your investment was made.

## 13 Closure of your account

- 13.1 If you Repurchase all your Units or the cash balance remaining in your account is R30 or less, the remaining cash balance will be moved into a suspense account.
- 13.2 If after the cash balance falling to R30 or less, you do not make a deposit of the minimum investment amount for 30 (thirty) days after the Repurchase or your account falling to R30 or less, we may close your account. Any Income that will become due to you will be paid to you.
- 13.3 Your account will be closed within 48 hours of completion of a full Repurchase.
- 13.4 Payments to you will be made upon successful identification and verification in terms of the FICA.

## 14 Absa Processing System

We have appointed Absa to process applications and your information through its branch network on our behalf and they will process all your information on their client information system. We use Absa's electronic and telephone banking systems.

## 15 Compliance with Applicable Law

- 15.1 As part of BAGL, we are committed to complying with national and international law, rules and regulations and policies regarding the combating of criminal activities, money laundering and terrorist financing.
- 15.2 Your application and all information concerning you are subject to verification, processing, screening and profiling. We may be obliged to decline your applications or may request additional documents such as financial statements and asset and liability statements if you fall in a certain risk category.
- 15.3 After acceptance of your application, all information, instructions and transactions on your behalf will be subject to continuous screening and profiling which may prohibit, limit or delay the execution thereof and which may oblige us to terminate our relationship with you.
- 15.4 To the extent allowed by law, we will inform you of any prohibitions or limitations on your application, instructions or transactions.
- 15.5 We, our respective affiliates, employees, officers and directors will not be liable for any special, punitive, indirect or consequential losses or damages, including, without limitation, loss of profits or any anticipated savings.
- 15.6 The complaints policy is available from us on request.

## 16 US Person

- 16.1 You confirm that you are not a US Person and agree and promise to inform us as soon as you become a US Person during your relationship with us.
- 16.2 If you become a US Person during your relationship with us, we have the right to end the relationship with immediate effect.
- 16.3 If you are a US Person, we have the right to decline your application.