



Absa Investment Management Services Pty (Ltd), Reg No 1980/002425/07

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## MANDATE TO MANAGE INVESTMENTS

Entered into by and between

**ABSA INVESTMENT MANAGEMENT SERVICES (PTY) LTD. ("AIMS")**  
(Registration No. 1980/02425/07)  
having its address at Block 6, Woodmead Estate, 1 Woodmead Drive, Sandton

and

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(hereinafter referred to as the "Investor")

## 1. Arrangement between the parties

The Investor has applied to AIMS, in its capacity as an administrative financial services provider ("FSP"), approved as such in terms of Section 8 of the Financial Advisory and Intermediary Services ("FAIS") Act, to invest in certain investment products offered through AIMS. AIMS will administer these investments in terms of an application signed by the Investor. AIMS is also approved as a discretionary FSP in terms of Section 8 of the FAIS Act, and will act in its capacity as discretionary FSP in respect of these investments. This agreement further sets out the arrangement between the parties in respect of the management of such investments.

## 2. Investment types

For the purposes of this agreement, AIMS may from time to time manage investments for the Investor consisting of financial products, as defined in the FAIS Act, specifically securities and instruments, and participatory interests in collective investment schemes. Such investments may from time to time be managed in the form of individual financial products, or in the form of managed portfolios consisting of combinations of such financial products, as selected by the Investor in writing below. AIMS shall not invest in any foreign investments as part of the managed portfolios set out in clause 3 below, but shall only make use of South African investments.

## 3. Mandate

- 3.1 The Investor authorises AIMS to manage, on his behalf, financial products consisting of the investments set out in clause 2. above.
- 3.2 AIMS shall exercise their full discretion in the management of the said financial products on behalf of the Investor.
- 3.3 Such management shall be in accordance with the objectives for the particular managed portfolio selected by the Investor below, which set out the term of the investment (if any); the objective in terms of income, capital growth, capital preservation, or any combination of these; and the risk level of the investment.

### Managed Portfolio Solutions:

#### Horizon Portfolios (years till cash flow requirement)

The objective of the \*Horizon Portfolios is to provide the investor with a managed investment solution for targeting a specific future cash flow requirement. Portfolios will be managed to achieve a specified real return while at the same time reducing the investor's risk as the time to the expected cash flow decreases.

*\*The Horizon Portfolio selected will be determined using the entry point calculator. The result of the entry point calculator needs to accompany the mandate when submitted to AIMS.*

### Managed Income Portfolio Solutions

The Managed Income portfolios, and their respective objectives, which the Investor may select are the following:

- **Low Income Portfolio**  
To target an annual income of SA Prime Overdraft Rate less 4% after administration fees over a rolling 12-month period, and to attempt to not have negative returns over a rolling 12-month period.
- **Medium Income Portfolio**  
To target an annual income of SA Prime Overdraft Rate less 2% after administration fees over a rolling 24-month period, and to attempt to not have negative returns over a rolling 18-month period.
- **High Income Portfolio**  
To target an annual income of SA Prime Overdraft Rate after administration fees over a rolling 36-month period, and to attempt to not have negative returns over a rolling 24-month period.

The selected portfolio needs to be clearly stated on the application form completed by the Investor.

- 3.4 The Investor acknowledges that certain risks may accompany different investment types. These risks could include, but are not limited to, a decline in the value of the capital invested; fluctuation of the income derived from the investment; volatility of the value of the investment over time due to local and overseas market conditions; or the failure of the party providing a specific financial product.

- 3.5 The Investor further understands that past performance of an investment is not necessarily an indication of future returns, and that AIMS do not warrant the performance of any financial product, and while they shall exercise their discretion in a bona fide manner and endeavour to meet the investment objectives of the Investor, AIMS shall not be liable should any investment not perform to the Investor's expectations.

#### **4. Registration of Financial Products**

AIMS shall register the financial products that they may hold on behalf of the Investor from time to time, in the name of AIMS Nominees (Pty) Ltd, Registration Number 1969/15989/07, being the registered holder and custodian approved by the Financial Services Board.

#### **5. Deposit of Monies**

- 5.1 AIMS shall forthwith deposit all monies received, in connection with the management of financial products, to the credit of the Investor into the specific account set out in the accompanying application form, held in the name of AIMS Nominees (Pty) Ltd at ABSA Bank, and where applicable, withdraw moneys received in connection with the management of financial products from this account.
- 5.2 Cash accruals (including dividends and interest) that AIMS receive on behalf of the Investor shall be re-invested by AIMS in terms of this mandate.

#### **6. Remuneration of FSP's**

##### **Horizon Portfolios**

- 6.1 AIMS, in its capacity as a discretionary FSP, shall not receive remuneration from the Investor over and above the fees to which it is entitled in its capacity as an administrative FSP administering these financial products, on the basis set out in the application accompanying this Mandate.
- 6.2 The discretionary FSP may from time to time, and in respect of certain financial products selected by it on behalf of the Investor, receive fee reductions or rebates from a product supplier for having placed investments with such product provider.
- 6.3 The financial services provider/representative through whom this investment has been placed with AIMS will be entitled to a maximum annual fee of 0.6%, excluding VAT. This fee differs from the fee described in the terms and conditions in the application form pertaining to the Wealth Series and is subject to the pricing structure of the underlying funds that form part of the portfolio.
- 6.4 The annual management fees to which the AIMS and the financial services provider/representative are entitled are incorporated into the price of the underlying collective investment schemes used in the management of the portfolios and will be paid to AIMS by way of a rebate from the Management Companies concerned.

##### **Managed Income Portfolios**

- 6.5 AIMS, in its capacity as a discretionary FSP, shall not receive remuneration from the Investor over and above the fees to which it is entitled in its capacity as an administrative FSP administering these financial products, on the basis set out in the application accompanying this Mandate.
- 6.6 The financial services provider/representative through whom this investment has been placed with AIMS will be entitled to an annual fee as described in the terms and conditions in the applicable application form.

#### **7. Amendment or Termination of Mandate**

- 7.1 Any amendment of any provision of this mandate shall be in writing and shall be by means of a Supplementary or New Agreement between AIMS and the Investor.
- 7.2 AIMS or the Investor shall be entitled to terminate this mandate after notice in writing to the other party of thirty (30) calendar days.

#### **8. General**

- 8.1 AIMS shall not exercise any vote on behalf of the Investor in any ballot conducted by a collective investment scheme, but shall forward to the Investor all balloting documentation and instructions received from the manager of any collective investment scheme.
- 8.2 The Investor hereby consents to AIMS not forwarding to him information that any collective investment scheme might, by law, be obliged to disclose. Such information is generally available from other sources, such as the collective investment scheme's Internet site. The Investor may, however, at any time in writing revoke this consent and specifically request AIMS to forward any such information to him.

- 8.3 AIMS is a single company, and has obtained approval as both an administrative and discretionary FSP in terms of the FAIS Act. The administrative FSP approval permits AIMS to administer and provide intermediary services, as defined in the FAIS Act, in respect of certain financial products, on behalf of the Investor. The discretionary FSP approval further permits AIMS to apply its discretion when choosing certain financial products on behalf of the Investor.
- 8.4 In the event that the Investor has elected to invest in either a long-term insurance, retail pension or pension benefit financial product which has given the Investor the right to choose the underlying asset himself, the financial products comprising the underlying assets of the main investment do not belong to the Investor himself, but rather to the respective long-term insurer or retirement fund, as the case may be. Accordingly, any reference to financial products belonging to the Investor, should be understood in this context.

Signed at \_\_\_\_\_ on this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_\_

\_\_\_\_\_  
Investor

Witnesses:

1 \_\_\_\_\_ 2. \_\_\_\_\_

**Acknowledgement by Financial Services Provider (FSP)/Representative**

I, \_\_\_\_\_, acknowledge that the annual fees to which I may be entitled, as set out in the application form to which this Mandate is attached, pertaining to the Wealth Series, shall be a maximum of 0,6% per annum excluding VAT, subject to the pricing structure of the underlying funds that form part of the portfolio.

\_\_\_\_\_  
Signature of Financial Services Provider (FSP)/Representative

\_\_\_\_\_  
Date