

Glossary of Terms

Annual Financial Advisor Fee is the fee that is to be paid to your financial advisor on a monthly basis by way of redemption of your units.

Authorised Persons are all natural persons that have the authority to act on behalf of a legal entity. This authority is usually given by means of a resolution e.g. a director's resolution.

Category I license is a license provided to an FSP by the Financial Sector Conduct Authority allowing the FSP to provide advice and/or intermediary services. The FSP may not exercise discretion nor submit instructions on your behalf.

Category II license is a license provided to an FSP by the Financial Sector Conduct Authority. This license allows the FSP to exercise discretion and submit instructions on your behalf, if mandated by you. (pg. 6)

Domestic Prominent Influential Person is an individual who holds, including in an acting position for a period exceeding 6 months, or has held at any time in the preceding 12 months, in the Republic, a prominent public function including that of:

- the President or Deputy President;
- a Government minister or deputy minister;
- a Premier of a province;
- a member of the Executive Council of a province;
- an executive mayor of a municipality;
- a leader of a political party registered in terms of the Electoral Commission Act;
- a member of a royal family or senior traditional leader;
- the head, accounting officer or chief financial officer of a national or provincial department or government component;
- the municipal manager of a municipality;
- the chairperson of the controlling body, the chief executive officer, or a natural person who is the accounting authority, the CFO or the CIO of a public entity listed in schedule 2 or 3 to the Public Finance Management Act;
- the chairperson of the controlling body, CEO, CFO or CIO of a municipal entity;
- a constitutional court judge or any other judge;
- an ambassador or high commissioner or other senior representative of a foreign government based in the republic;
- a high ranking officer of the South African National Defence Force;
- a chairperson of the board of directors, chairperson of the audit committee, the CEO or the CFO of a company that provides goods or services to an organ of state;
- head or other executive directly accountable to the head of an international organisation based in the Republic. (pg. 8)

Effective Annual Cost or EAC is a measure by which an investor can compare the estimated impact of charges on investment returns when investing in different financial products. It is expressed as an annualised percentage. The EAC is made up of four components that an investor will likely incur in purchasing and holding a financial product, namely Investment management charges, advice charges, administration charges and other. It does not attempt to measure the features of a financial product.

Entity FATCA Classification please refer to <https://www.sars.gov.za/AllDocs/LegalDoclib/Agreements/LAPD-IntA-EIA-2014-04%20-%20FATCA%20IGA.pdf> for guidance.

FATCA is the Foreign Account Tax Compliance Act.

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.

Minimum Disclosure Document is a short document containing key information pertaining to a portfolio that a manager provides to an investor to assist the investor in understanding the collective investment scheme product.

Glossary of Terms cont'd

Foreign Prominent Public Official is an individual who holds, or has held at any time in the preceding 12 months, in any foreign country a prominent public function including that of a –

- Head of State or head of a country or government;
- member of a foreign royal family;
- government minister or equivalent senior politician or leader of a political party;
- senior judicial official;
- senior executive of a state owned corporation; or
- high-ranking member of the military.

Forward Pricing Methodology refers to the valuation point of the NAV price used to process all valid purchase or redemption instructions. On a Forward Pricing Basis all instructions received prior to the relevant cut-off time on a particular trading day will be processed at the NAV price determined at the valuation point at the close of that day.

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

Financial Service Provider (FSP) is a FSP as defined in the Financial Advisory and Intermediary Services Act No. 37 of 2002.

GIIN number is your Global Intermediary Identification Number as registered with the Inland Revenue Service (US).

Initial Financial Advisor Fee is the fee to be paid to your financial advisor before your first contribution is invested.

A Money Market Portfolio is not a bank deposit account and the price is targeted at a constant value. The total return is made up of interest received and any gain or loss made on any particular instrument; and in most cases the return will 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. The yield is calculated as a weighted average yield of each underlying instrument in the portfolio. Excessive withdrawals from the 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.

Net Asset Value (NAV) is calculated on a Net Asset Basis, which is the total value of all the assets in the portfolio including any income accruals and less any permissible deductions (brokerage, VAT, auditor's fees, bank charges, trustee and custodian fee and the Annual Management Fee or Service Charge) from the portfolio divided by the number of Participatory Interests in issue.

Participatory Interests are the units in issue in the fund.

Proof of Bank Account Details is a bank statement that is no older than 3 months and clearly displays the client name and bank account number. **Scrip Lending** is the act of loaning securities to an investor or firm whereby the ownership thereof is transferred to the borrower. The borrower is required to provide collateral when the security is loaned.

STT is the Securities Transfers Tax levied on the transfer of a security under the Securities Transfer Tax Act, No. 25 of 2007.

Tax reference number/TIN is the tax number that identifies you as a registered tax payer in the country in which you are liable to pay tax.

Total Expense Ratio (TER) is the percentage of the average NAV of that portfolio that was incurred as charges, levies and fees related to the administration and management of the portfolio.

Total Investment Charge (TIC) is the sum of the TER and the TIC

Transaction Costs (TC) is the percentage of the average NAV of the portfolio that was incurred as costs relating to the buying and selling of the underlying assets of the portfolio

VAT is Value Added Tax that is charged by the South African Revenue Service (SARS) in terms of the Value Added Tax Act, No. 89 of 1991.

Yield is calculated as the weighted average yield of each underlying instrument in the portfolio.