

# NOVARE UNIT TRUST GENERAL INFORMATION AND CONDITIONS

Novare CIS (RF) (Pty) Ltd | Registration Number: 2013/191159/07 | SARS Registration Number: 9649/248/16/9

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CIS

## (A) GENERAL INFORMATION

1. Novare CIS (RF) (Pty) Ltd ("Novare") has appointed Maitland Group South Africa Limited ("the Administrator") who is an authorised administrative financial services provider, to administer the investment account on behalf of the investor. The current investment options available to investors are those set out in the "Fee Schedule" and made available by Novare in their discretion as the investment options to investors.
2. In terms of the Collective Investment Schemes Control Act, No.45 of 2002 (CISCA), First Rand Bank Limited has been appointed by Novare as the Trustee of the Novare Collective Investments Scheme.
3. Novare will send a welcome letter to the investor after the investment has been processed which will include a confirmation of investment details.
4. Details of fees and charges are included in the "Fee Schedule". Commission and incentives may be paid and if so, would be included in the overall costs.
5. The investments in the selected Collective Investments Scheme in Securities (unit trusts) are made and administered subject to the provisions of the CISCA, in accordance with the deeds of such funds and subject to each scheme's fee structure as amended from time to time.
6. Collective Investments Scheme in Securities (unit trusts) are generally medium to long - term investments. The value of participatory interests (units) may go down as well as up and past performance is not necessarily a guide to the future. Unit trust prices are calculated on a Net Asset Value (NAV) basis, which is the total value of all assets in a portfolio including any income accruals and less any permissible deductions from the portfolio. Unit trusts are traded at ruling prices and can engage in borrowing and scrip lending. All of the unit trusts may be capped at any time in order for them to be managed in accordance with their mandates.
7. Unit prices will fluctuate relative to the market value of the underlying securities comprising the funds' portfolios, and can increase or decrease accordingly. The investor acknowledges the inherent risk associated with the selected investments. The investor furthermore agrees that Novare will not be liable for the consequences of the market influences and consequent changes in unit prices. The investor bears the total investment risk.
8. Novare does not give advice. The investor confirms that no advice was given by Novare in respect of this application. The investor understands that Novare will not give advice in the future.
9. A transfer of units to another legal entity or natural person will result in payment of Capital Gains Tax.
10. The investor is entitled to any information that the law requires a Collective Investments Scheme or unlisted company to disclose. Novare is obliged to obtain and transmit such information if the investor requests it.
11. A transaction advice will be sent to you once your investment has been processed. Statements will be sent to you on a regular basis, not exceeding three months.
12. Permissible deductions (referred to in point 6) from the total investment portfolio include bank charges, trustee/custodian fees, audit fees, manager's annual fee and Securities Transfer Tax (STT), brokerage and VAT.
13. Funds are valued and priced at spot prices at 15h00 each business day. Money market funds are valued and priced at 13h00 each business day. Fund of funds are valued and priced at closing prices as at the end of each business day.
14. Novare may borrow up to 10% of the market value of the portfolio where insufficient liquidity exists in a portfolio, or where assets cannot be released to withdraw or cancel participatory interests.
15. Novare will not be responsible for any loss, (consequential or otherwise), arising from changes in tax or other legislation that may have an impact on the performance of the investments.
16. To the extent that the total expenses may exceed the income earned in the form of dividends and interest, the affected funds will not make a distribution.
17. In terms of the Intergovernmental Agreement ("the IGA") entered into between the Governments of South Africa and the United States of America to improve international tax compliance and to implement the Foreign Account Tax Compliance Act ("FATCA"), and equivalent IGAs between the Government of South Africa and any other countries, Novare and all its group companies are required to collect relevant information from each client to ensure their identification and classification is correct according to the IGA, and report on these clients to the South African Revenue Services ("SARS") where necessary. Clients must notify Novare immediately if their tax residency or FATCA classification has changed, or if changes in circumstances lead clients to believe this may impact their status or classification.
18. We collect personal information about you to offer you the best service. We will not share this information outside of the Novare Group, its associated groups or agents, without your explicit consent. In order to provide you with an effective service, we may be required to share this information with our administrators or agents who perform certain services for us (e.g. mail houses who post your statements on our behalf), members of the Novare Group, your financial adviser or broker, as well as with any regulatory bodies as the law requires. We may share your information with foreign regulatory bodies if required.
19. Your information is used for administrative, operational, audit, marketing, research, legal and record keeping purposes. We will take all reasonable steps necessary to secure the integrity of any personal information which we hold about you and to safeguard it against unauthorized access. If you don't consent to us using your personal information, there may be delays or some instructions might not be carried out. You can have access to your information at any time and ask us to correct any information we have in our possession. Please feel free to write to us to obtain a copy of this information. We keep relevant documents for a period of five years or more as required by the law. If you consent to us retaining your personal information for periods of longer than five years, we will restrict access to your information. It will only be processed for storage or for purposes of proof (with your consent).
20. Novare will not give effect to cessions unless instructed in writing.
21. This application has to comply with the Financial Intelligence Centre Act of 2001, and any information provided is subject to this legislation.

## (B) ADMINISTRATIVE PROCESS

1. It is at Novare's discretion to accept or reject the investor's application form, and Novare will not enter into any discussion with regard to accepting the investor's application form on a particular date.
2. In the event that this application form, or any other written instruction is faxed or e-mailed to Novare, the responsibility for ensuring that the instruction has been received and actioned by Novare will lie with the instructor (investor or financial advisor). A fax confirmation, or printed copy of a sent e-mail, in the hands of the sender will not be regarded as proof that Novare has received a specific document. If you wish to confirm the receipt of an instruction, please feel free to contact the Client Service team on 0800 668 273.
3. The daily cut-off for receipt of instructions is 14h00 (Please note: the daily cut-off for Money Market Funds is 10h00).
4. All withdrawals must be requested in writing and will be disinvested following receipt and acceptance of such written instruction and subject to Novare's requirements having been met. Units will be disinvested by Novare at the price calculated in accordance with the requirements of the CISCA and the relevant trust deeds, and paid within 5 working days of the written request. The reflection of the payment in the investor's account may only appear at a later date, depending on which bank the investor makes use of. If the units to be withdrawn are subject to a pledge, written consent for the transaction is required. Withdrawal instructions which include a change in your bank details must be accompanied by a copy of a cancelled cheque or bank statement less than 3 months old.
5. The business days for each of the Novare fund portfolios refer to the days on which the particular funds are priced and when the underlying markets for the respective portfolios are open for trading.
6. Any new or changed debit order instructions must be received at least 2 business days before the debit order commencement or amendment date which you have specified.
7. The business days for each of the Novare fund portfolios refer to days when the underlying markets for the respective portfolios are open for trading.
8. Any new or changed debit order instructions must be received at least 2 business days before the debit order commencement or amendment date which you have specified.
9. All purchases are subject to a 14-day clearance period in respect of subsequent redemptions. Distributions on purchases within the 14-day clearance period will be automatically reinvested.

## (C) RING-FENCING

1. Ring-fencing is the separation and delayed sale of units in a Portfolio. Large sales of units in a Portfolio above certain thresholds may cause ring-fencing.
2. This ensures that the sale of a large number of units will not force Novare to sell the underlying investments at a price in the market which could have a negative impact on investors. Novare may delay the payment of withdrawals of the proceeds of sale of units.
3. Novare may obtain approval from the registrar in order to segregate illiquid assets from liquid assets (side pocketing) by establishing a separate portfolio class for these assets. Any profit or loss relating to side-pocketed investments will not be shared by any new investors in the hedge fund. Only those investors in the fund at the time the side pocket was created will subsequently participate in those assets and they are the only shareholders of that specific share class. Investors need to take note that they will remain invested in the portfolio until such time that the illiquid assets become liquid and may be paid out to the investor. Should side pocketing, gating or redemption suspensions be used the investor will be notified as soon as possible.

## (D) THE FINANCIAL ADVISOR

1. Novare will only allow authorized Financial Services Providers (FSP's), who has been approved by Novare to submit applications on behalf of investors. Novare will verify each Advisor's license with the Financial Services Board. Novare will not be held liable for any loss suffered by the investor due to delays in processing or rejection of this application form, should the investor's Financial Advisor not be authorized as an FSP, or not be approved by Novare.
2. It is the responsibility of the Financial Advisor to act within his/her FSP license conditions. Novare cannot be held accountable for loss or damage suffered by the investor as a result of their Financial Advisor acting outside his/her FSB licensed capabilities.
3. Advice fees agreed to between the investor and their Financial Advisor may be facilitated by Novare who will deduct the required funds from the investment amount in order to pay the fees. It is the responsibility of the Financial Advisor (where relevant) to make sure that the investor is fully informed of all fees under this investment. VAT will be added to fees.
4. The Financial Advisor is responsible for ensuring that the investor receives and understands all appropriate advice, product and fee information, including changes in administrative processes of the Administrator.
5. The investor authorises Novare to make all reports and statements pertaining to the investment available, in whatever format, to the appointed Financial Advisor on his/her request.

## (E) COMPLIANCE DEPARTMENT

Please do not hesitate to contact us if you are not satisfied with this investment or the services from Novare. A complaint must be submitted to the Compliance Officer. The contact address for the Compliance Officer is the same as the Novare CIS (RF) (Pty) Ltd address on the next page.

## (F) COMPLAINTS

If an investor is not satisfied with the response from Novare, or if an investor has a complaint about the advice given by the Financial Advisor, he/she has the right to address his/her complaint in writing to the Ombud for Financial Service Providers:

PO Box 74571 Lynwood Ridge 0040  
Sussex Office Park Ground Floor,  
Block B 473 Lynnwood Road  
Tel: + 27 (0)21 470 9080  
Fax: + 27 (0)21 348 3447  
E-mail: info@faisombud.co.za

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### Novare CIS (RF) (Pty) Ltd

3rd Floor, The Cliffs Office Block 1, Niagara Way,  
Tyger Falls, Carl Cronje Drive, Bellville, 7530  
PO Box 4742, Tygervalley, 7536  
Tel: 0800 668 273 (0800 novare) Fax: 0860 668 273 (0860 novare)  
Website: [www.novarecis.co.za](http://www.novarecis.co.za) E-mail: [clientservice@novare.com](mailto:clientservice@novare.com)

Novare CIS (RF) (Pty) Limited is a registered Manager in terms of the Collective Investment Schemes Control Act (Act 45 of 2002)

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