

Unit Trust Terms and Conditions



The role of the Manager

The Manager manages the M&G unit trust funds. The Manager does not give financial advice and therefore cannot give any recommendation, guidance or proposal regarding any of the M&G unit trust funds. The Manager will only act on your specific written investment instructions, subject to the terms and conditions set out in this application form and the Terms and Conditions.

The Managers details are:

MandG Investments Unit Trusts South Africa (RF)
7th Floor Protea Place
30 Dreyer Street
Claremont
Cape Town

The Manager is a member of the Association for Savings and Investment South Africa (ASISA).

The role of MandG Investment Managers (Pty) Ltd

MandG Investment Managers (Pty) Ltd is appointed by the Manager to manage the portfolio assets of the M&G unit trusts funds.

MandG Investment Managers (Pty) Ltd is an authorized discretionary financial services provider, licensed by the Financial Sector Conduct Authority in terms of the Financial Advisory and Intermediary Services Act, 37 of 2002.

The role of the Trustee/Custodian

The Trustee/Custodian is an independent party, appointed to make sure that the assets of your chosen unit trust fund are safeguarded against fraud and mismanagement, and that it is managed according to the fund's supplemental deed. The supplemental deed is a contract between the Trustee and the Manager and sets out the relationship between the fund, the Manager, the Trustee and the investors. It falls under the authority of the Financial Sector Conduct Authority. The supplemental deed sets out, among other things, the investment objectives and mandate to be followed by the Manager.

The Trustee's/Custodian details are:

Standard Bank of South Africa Limited - Trustee Services & Investor Services
20th Floor, Main Tower
Standard Bank Centre
Heerengracht
Cape Town

Financial adviser limitation

The Manager has contracted with intermediaries to represent the M&G unit trust funds. The M&G Investments Group (M&G Investments) has not authorised any entity to represent M&G Investments to potential or existing investors. Financial advisers may introduce you to M&G Investments. However, you and M&G Investments directly negotiate legal rights and obligations. Neither M&G Investments, nor the Manager may accept an introduction of an investor from a financial adviser who is not approved as a Financial Services Provider (FSP) by the Financial Sector Conduct Authority. At a minimum, the FSP and the individuals representing that FSP must be authorised as Category I advice givers in the following sub-categories:

- 1 long-term insurance policies
- 2 fund policies

- 3 securities and instruments (shares, fixed income, warrants, debentures and debt instruments, derivatives and money market instruments)
- 4 participatory interests in collective investment schemes
- 5 long- and short-term deposits
- 6 CIS's

The Manager and M&G investments will not be held liable for any direct or indirect claims (including claims for consequential damages) which may be made against the Manager and M&G Investments in respect of loss or damage which may result from the Manager acting on any instructions submitted to the Manager by yourself or via your Financial Adviser and his/her office. This indemnity does not extend to any claims in respect of loss or damage which results from any negligence or willful errors or omissions committed by the Manager.

Fees

The fees that apply for the unit trust funds are set out in the attached Collective Investment Schemes (CIS) summary which is available on our website (www.mandg.co.za/cis-put.pdf).

In addition to the Annual Management fee, certain unit trust funds may charge a performance fee. See attached link for details of the performance fee (www.mandg.co.za/performance-fees).

An Initial Adviser Fee (subject to relevant maximums) and Ongoing Adviser Fee is negotiable between you and your Financial Adviser, for which units would need to be cancelled from your account to pay your financial adviser. An investor may provide instructions relating to the payment of financial adviser fees via the Manager's secure online platform in accordance with clause 73 of the scheme deed of the M&G unit trust funds.

The Manager does not charge an Initial Management Fee. In respect of Class I and X unitholders, the Manager may pay an Annual Standard Adviser Fee to your financial adviser from the annual management fee of the fund. This is set, and is taken into account when the price of the fund is calculated (i.e. part of the standard expenses of the fund). You cannot negotiate this percentage. However, should it no longer be possible for the Manager to pay the annual standard adviser fee out of the annual management fee, the Manager shall be required to pay such fee via the regular repurchase of your units to the extent required to settle the annual standard adviser fee on your behalf.

If you appoint a financial adviser, it is the responsibility of your financial adviser to make sure that you are fully informed of all fees relating to this investment. Your quarterly statement will show the fees applicable for that period. VAT will be added to all fees, where applicable. By signing this document, you give your permission to deduct all fees as shown in the schedule titled "M&G Collective Investment Schemes". Please refer to the Collective Investment Schemes (CIS) summary on our website. All fees may be amended by The Manager from time to time, and in such cases, a notification will be sent to investors. All management fees charged are disclosed exclusive of VAT.

Mandatory switches within a portfolio

The Manager shall be entitled to unilaterally switch groups of investors from one class of participatory interests in any portfolio to another class of participatory interests in that same portfolio. The Manager shall only be entitled to switch affected investors upon notice to such investors and provided that the switch does not result in an increase in fees or capital gains tax for such investors. The Manager shall be required to notify investors of its intention to switch such investors, and to the extent that an investor does not consent to such a switch, such investor may notify the Manager accordingly, in which case they shall remain in their current class where the terms and conditions of that class will continue to apply to such investors.

Reporting and pricing

You will receive a quarterly statement with the market value of your investment. Additional statements are available on request. Permissible deductions from the fund include annual asset management fees, share trading costs, MST, auditor's fees, bank charges incurred by the fund, and trustee fees. Units will be bought and sold at the price calculated as described above, as required by the Collective Investment Schemes Control Act and the relevant deed of your chosen unit trust fund.

Transaction cut-off times and requirements

The Manager needs to receive all signed and completed transaction instructions, as well as any required supporting documents and relevant investment amounts, before 1:30pm to use the price for that same day, except for

- a the Money Market Fund which has a cut-off time of 11:30am. The cut-off times also apply to withdrawals and switches. If any required documents or investment amounts are received after the cut-off time, the Manager is not obliged to transact at the price for that day.
- b Investor redeeming more than 5% of the total value of the relevant fund (see below Payments paragraph for terms of disinvestment).

No interest will accrue to monies awaiting allocation.

The Manager and M&G Investments shall not be liable for any loss or damage which may result from an instruction (whether given by or on behalf of an investor) not being received by the Manager before the specified cut-off time in order for such instruction to be processed by the Manager on a specific in instances where such delay is caused by the action or omission of an investor, Financial Adviser (if applicable) or person acting on behalf of an investor or by any network or system failure or malfunction in the investor or investor's agent's communication systems.

The Manager and M&G Investments will not be held liable for any loss or damage of any nature as a result of compliance with legislation or an instruction from an authority, occurrences beyond the control of the Manager and M&G Investments, and liquidity constraints.

Investment minimums

There is a minimum market value requirement of R2 000 per fund without an active debit order. If the market value falls below this amount because of a switch, a debit order cancellation or a withdrawal, the Manager has the right to withdraw the market value of the remaining units and pay the proceeds to you, or to charge a transaction fee for balances below the minimum market value amount.

Online additional investments and switches

For online additional investments and switches into new funds submitted via the Manager's secure online platform, the income distribution for these funds will be defaulted to reinvest. This can be changed to pay out on your request.

Payments

All payments will be electronically transferred into your bank account only. No payment to a credit card is possible. Please note that in the case of redemptions, settlement may take up to 48 hours except for below. Investors wishing to redeem units in excess of 5% of the total fund value of the relevant unit trust fund must provide The Manager with at least 7 business days written notice of such redemptions. If this notice is not

received, the Manager may treat such redemption as only being received on the 7th business day after such instruction has been sent. If, however the amount exceeds 10% of the total fund value the parties shall determine the actual date of withdrawal through mutual agreement between them.

Unclaimed assets

M&G Investments reserves the right to appoint an external tracing company to trace investors whose investments have remained unclaimed for 10 years. The investor may be held liable for the costs associated with this appointment.

Amendment instructions

To change a regular withdrawal or debit order payment, please use the relevant instruction form. The Manager needs to receive a debit order instruction/amendment in writing before the 20th day of each month to act on the instruction before the 1st working day of the following month. You may cede or assign your investment, subject to a processing cost (if applicable at the time of your cession instruction).

The Manager will only act on signed instructions, which are complete and which appear to be valid. The Manager cannot be held liable for any losses resulting from the above requirements. All e-mail instructions will only be processed on receipt and acknowledgement. If no acknowledgement is received, please contact the client services department.

Protecting your information

The Manager and M&G Investments may collect, verify, use, disclose or otherwise process your personal information for the purposes of providing the products and/or services which you have requested from the Manager and or M&G Investments. Your personal information may be collected directly from you, your agent, an authorised financial service provider, or where appropriate a regulator or state body. The Manager and M&G Investments may process your personal information for the purpose of administration, marketing, complying with legal and audit requirements, for record keeping purposes, to improve our service, products, and your experience. The Manager and or M&G Investments are required to process and keep investor and investor representative information to perform its obligations lawfully, fairly and competently. The Manager will only process your personal information for the purposes it was collected for, and any other legitimate purposes related to the original purpose. The Manager and or M&G Investments have controls and security measures in place to protect personal information from unauthorised use, for security and servicing purposes. The Manager and or M&G Investments may monitor, and record telephone calls and other instructions submitted by other means. We may share your personal information with our employees, agents, subcontractors, with our related entities, with your adviser and/or their duly appointed agent or service provider, where directed. Personal information may be transferred to offshore providers. In such instances the Manager and M&G Investments will ensure that sufficient legislation or agreements are in place for the information to remain adequately protected. You are entitled to request access to the information we have collected, processed and shared. All processing of personal information will be done in accordance with applicable laws and M&G Investments' privacy policy, which can be obtained at www.mandg.co.za/personal-investor/terms-and-conditions/.

Anti-bribery and corruption

- 1 M&G Investments adheres to South Africa's Prevention and Combating of Corrupt Activities Act, 2004; Prevention of Organised Crime Act No. 121 of 1998 and The Protected Disclosures Act 26 of 2000 and the respective regulations (the "anti-bribery and anti-corruption laws and regulations").
- 2 M&G Investments and its related parties are part the UK listed M&G plc group of companies, as part of a global financial services group, the Manager and M&G Investments is committed to creating and

delivering sustainable value for their investors and it conducts its business in an honest, ethical and professional manner and adheres to the highest standards of corporate governance.

- 3 The Manager and M&G Investments has always adopted a zero tolerance towards all corrupt activities.
- 4 The Manager and M&G Investments forbids and does not support any individuals or organisations that participate in any acts of fraud, bribery, corruption or in the practice of making use of facilitation payments, where facilitation payments is defined as “payments” made as a way to get or speed up a legitimate service that is offered by a government agent. Facilitation payments do not include legitimate fees that are payable for that service and the fees are applicable to anyone receiving the same or similar service. Facilitation payments also do not include the payment of a “fast track” fee as long as the faster service is available to anyone paying a similar fee. Nor do they include the provision of resources to assist the government agent to more efficiently provide the services that are supplied”. These acts are illegal and have the ability to cause damage to the reputation of M&G Investments.
- 5 For the avoidance of doubt, bribery is offering, promising, giving or accepting any financial or other advantage, to induce the recipient or any other person to act improperly in the performance of their functions, or to reward them for acting improperly, or where the recipient would act improperly by accepting the advantage. An advantage includes money, gifts, loans (or the forgiveness of a debt), fees, hospitality, services, discounts, employment opportunities, the award of a contract or anything else of value. A person acts improperly if they act illegally, unethically, or contrary to an expectation of good faith or impartiality, or where they abuse a position of trust. Corruption is the abuse of entrusted power or position for private gain.
- 6 You undertake to:
 - a) Comply with all applicable anti-bribery and anti-corruption laws and regulations;
 - b) Not offer any bribe or facilitation payment to any public official or other person;
 - c) Not offer, pay, agree to accept or accept any bribe or corrupt payment in respect of any activity related or attributable to the Manager or M&G Investments;
 - d) Not do anything that may cause the Manager or M&G Investments to breach the applicable anti-bribery and anti-corruption laws and regulations.
- 7 You agree that the Manager shall be entitled to immediately terminate this agreement for any breach of the above provisions that relate to anti-bribery and corruption. To the extent that you are the subject of credible adverse media reporting or criminal prosecution involving allegations of bribery, corruption, fraud and/or any criminal offence that is based on dishonesty and/or regulatory infractions or enforcement actions and/or allegations of an objectively adverse nature, and if this negatively impacts on the reputation of the Manager or M&G Investments or is likely to impact negatively the reputation, you confirm and acknowledge that M&G Investments may, without any liability whatsoever, terminate this agreement. The Manager and M&G Investments will undertake to provide you with a reasonable opportunity to respond to the credible adverse media reporting or criminal prosecution before the Manager terminates this agreement. In this regard, the Manager and will notify you in writing requesting your written response within 48 hours. Thereafter, it will be within the Manger’s discretion to immediately terminate this agreement. You agree that the Manager and M&G Investments is not responsible for any losses or damages (whether direct or consequential) that you may suffer because of the termination of this agreement under this clause.
- 8 For the avoidance of doubt, credible adverse media reporting means media publications (whether in print media, online, radio or television) that suggest criminal conduct, regulatory infractions and/or allegations of an objectively adverse nature on the part of an individual, entity or entities, published by independent reputable news providers that may be considered to be impartial, that results in a current or foreseeable reputational risk. The media publications must appear to be based a reasonable degree of research and/or investigative journalism, and reported by more than one news provider. The personal views, theories, opinions, and unsubstantiated allegations of any individual made to a news provider or on any form of social media shall not constitute credible adverse media.

Sanctioned and Prominent Persons

You consent that the Manager and M&G Investments may

- 1 process your personal information to conduct sanctions screening against all mandatory and non-mandatory sanctions lists, including the sanctions lists of the United Nations Security Council; the United States Office of Foreign Assets Control; the United Kingdom Her Majesty Treasury; the European Union and South Africa (“sanctions lists”) and/or politically exposed person screening and to monitor your instructions and transactions;
- 2 share your personal information with local and international Regulatory Bodies as well as other related entities of M&G Investments if you are matched to one of these sanctions lists, if we are required to do so in terms of laws, internal and external policies and procedures, rules and requirements relating to international sanctions, prohibited business activities and the detection and prevention of money laundering and the financing of terrorism (“financial crime regulation”) or if we decide to do for internal business purposes;
- 3 terminate this agreement, any transaction or instruction, and/or our business relationship with you with immediate effect and without warning if you are found to be on a sanctions list or if your use of our products or services contravenes any applicable financial crime regulation.

You agree that the Manager and M&G Investments is not responsible for any losses or damages (whether direct or consequential) that you may suffer because of the processing of your personal information for purposes relating to financial crime regulation; delays or non-execution by the Manager and M&G Investments or any other related entity of obligations undertaken under these terms and conditions or other obligations, attributable in whole or in part to activities which the Manager and M&G Investments or any related entity, at its unfettered discretion, considers appropriate for its compliance with financial crime regulation, or the termination of this agreement, any transaction or instruction, and/or our business relationship with you.

Conflict of interest disclosure

M&G Investments does not engage in any proprietary trading, i.e. it does not buy and sell assets with its own money to make a profit for itself. It only invests investors’ money. However, M&G Investments will seed (provide the start-up investment money for) unit trust funds where the law requires it. All service providers, such as stock brokers, are selected based on investors’ best interests and commercial terms. The Manager and M&G Investments manages and monitors the risks of personal and business conflicts of interest. Controls include awareness, disclosures, approval processes and enforcement. the Manager and M&G Investments and its staff will not be part of any activity prohibited by the Prevention and Combating of Corrupt Activities Act. All tangible gifts, benefits or hospitality, given and received, are limited to specific amounts. Staff members receive a mix of guaranteed and variable pay (the latter driven by business profits). New business consultants receive commission driven by new business targets, as well as by how well they service and support existing investors. Investment staff members are further incentivised based on personal performance. Investment performance bonuses align the interests of the investment professionals and investors. If investment performance is poor, investment professionals receive less pay. The MandG Staff (South Africa) Equity Trust, of which all employees are beneficiaries, is an indirect shareholder of 28.08% in the Managers holding company, MandG Investments (Southern Africa) (Pty) Ltd. Staff may trade financial instruments for their own profit. Personal trading is monitored by M&G Investments’ Risk and Compliance. No staff member may trade for their personal account while M&G Investments’ investors are in the market. Staff may invest in the financial products managed by M&G Investments, e.g. unit trust funds.

Termination of this agreement

The Manager reserves the right and discretion to terminate this agreement and business relationship with you on the grounds of any regulatory, risk or commercial related reasons.

The Manager will provide you with 21 calendar days' written notice of our intention to terminate this agreement and business relationship.

Complaints

The Manager invites any investor who is dissatisfied with the services provided to address their concerns directly with the Manager (contact details on the application form). We take your concerns and queries very seriously and undertake to engage directly, promptly and meaningfully with you. The Manager will acknowledge your complaint in writing and will provide you with the contact details of the persons involved in the resolution of your complaint. If you prefer to lodge a formal, written complaint regarding the Manager's fair treatment of you or the nature of services offered, you can address your complaint to:

The Compliance Officer:

Email: compliance@mandg.co.za

Address: P O Box 44813 Claremont 7735

If you are dissatisfied with our response, you are entitled to address the issue in writing with the FAIS Ombud.

FAIS Ombud:

Web: www.faisombud.co.za

Email: info@faisombud.co.za

Tel: +27 12 470 9080

Fax: +27 12 348 3447

Address: P O Box 74571 Lynnwood Ridge 0040

The Ombud is legally empowered to investigate and adjudicate complaints fairly, economically and swiftly.