



# DISCRETIONARY FSP MANDATE

(in terms of subsection 5.1 of the Code of Conduct for Discretionary FSPs)

Mandate Agreement  
made and entered into by and between

**ALUMA CAPITAL (PTY) LTD FSP 46449**

2015/20991/07

(hereinafter referred to as **the FSP**)

and

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(hereinafter referred to as **the Client**)



# DISCRETIONARY FSP MANDATE

December 2015

## 1. INTRODUCTION

- 1.1 The FSP warrants that it is the holder of a Category II FSP License and is authorised to render intermediary services of a discretionary nature in respect of investment products residing under the financial product subcategories indicated in paragraph 1.2 hereunder.
- 1.2 The FSP is authorised to invest in any of the following financial product subcategories: *(\*delete whichever is not applicable)*

CATEGORY II		INTERMEDIARY SERVICES
2.1.1	Long-term Insurance: Subcategory B1	Relevant
2.1.2	Long-term Insurance: Subcategory B1 - A	<input checked="" type="checkbox"/>
2.2	Long-term Insurance: Subcategory C	<input checked="" type="checkbox"/>
2.3	Retail Pension Benefits	<input checked="" type="checkbox"/>
2.4	Pension Fund Benefits	<input checked="" type="checkbox"/>
2.5	Securities and Instruments: Shares	<input checked="" type="checkbox"/>
2.6	Securities and Instruments: Money Market Instruments	<input checked="" type="checkbox"/>
2.7	Securities and Instruments: Debentures and Securitised Debt	<input checked="" type="checkbox"/>
2.8	Securities and Instruments: Warrants, certificates and other instruments acknowledging debt	<input checked="" type="checkbox"/>
2.9	Securities and Instruments: Bonds	<input checked="" type="checkbox"/>
2.10	Securities and Instruments: Derivative instruments excluding warrants	<input checked="" type="checkbox"/>
2.11	Participatory Interests in one or more collective investment schemes	<input checked="" type="checkbox"/>
2.13	Long-term Deposits	<input checked="" type="checkbox"/>
2.14	Short-term Deposits	<input checked="" type="checkbox"/>

- 1.3 Prior to entering into this Mandate the Client provided the FSP, which obtained from it, information with regards to the Client's financial circumstances, needs and objectives and such other information necessary to enable the FSP to render suitable intermediary services to the Client in terms hereof.

## 2. AUTHORISATION

- 2.1 The Client hereby authorises the FSP to manage the Client's investments either on a full discretionary or limited discretionary basis, as set out in the schedule that is attached to this Mandate.
- 2.2 This Mandate and attached schedules authorises the FSP, as the Client's duly authorised agent, to purchase, sell and enter into any transaction on the Client's behalf and in respect of the following investments:


## 3. INVESTMENT OBJECTIVES

- 3.1 The Client's investment objectives are specified in the schedule that is attached to this Mandate.
- 3.2 The Client's risk profile is determined considering the Client's current set of information and circumstances and the Client acknowledges that these circumstances and information may change over time.
- 3.3 The Client warrants the on-going accuracy and correctness of the Client's investment objectives and any other information that has been provided to the FSP in order to conclude this Mandate.

## 4. RISK DISCLOSURE

- 4.1 The FSP uses its discretion to invest on the Client's behalf with great care and diligence. However, the Client acknowledges that there is a risk associated with investing in the financial products involved. The value of the investments and income may rise as well as fall, and there is a risk that the Client may suffer financial losses.
- 4.2 The Client acknowledges that it has been made aware by the FSP of risks pertaining to the investments which may result in financial loss to it and acknowledges that it accepts such risks and the FSP or its staff will not be liable or responsible for any financial losses.
- 4.3 The Client hereby irrevocably indemnifies the FSP and holds it harmless against all and any claims of whatsoever nature that might be made against it howsoever arising from its management of the investments including but not limited to any loss or damage which might be suffered by the Client in consequence of any depreciation in the value of the investments from whatsoever cause arising.
- 4.4 When investing in foreign investment products it is important to be aware of the following risks:
  - 4.4.1 Obtaining access to investment performance information may be more difficult than South African based investments;
  - 4.4.2 Investments are exposed to different tax regimes which may change without warning and which may influence investment returns;
  - 4.4.3 Exchange control measures may change in the country of investment and it may influence accessibility to the invested capital;
  - 4.4.4 The value of the Rand has deteriorated over the last number of years. However, it is important to understand that should the Rand exchange rate strengthen against the exchange rate of the foreign currencies in which the Client's funds are invested, it may create a loss of capital or reduced returns when the money is returned to South Africa in Rand.
- 4.5 Subject to its discretionary authorisation, the FSP may invest in wrap funds on behalf of the Client in terms of this Mandate and is thus required by the registrar to make certain disclosures regarding wrap funds and how they differ from funds of funds:
  - 4.5.1 A fund of funds is a collective investment scheme fund that is not allowed to invest more than 50% of the value of the fund in any one collective investment scheme fund. The Collective Investment Scheme Act guarantees the repurchase of participatory interests in a fund of funds by the management company.
  - 4.5.2 A wrap fund is a basket of different collective investment schemes wrapped as a single investment portfolio. The underlying combination of collective investments schemes is selected to optimally target the risk/return requirement and investment objectives of the client. In fact it's a number of separate investments in which the investor has direct ownership and could be better described as an account. These underlying investments are selected in line with the investment requirements of the Client. There is no joint ownership among investors and individual ownership of the participatory interests in the collective investment schemes can be transparently demonstrated at all times. A wrap fund investment is administered and facilitated by a linked investment service provider (LISP) i.e. an Administrative FSP. A wrap fund has no limit concerning the collective investment schemes that it may include in its portfolio. The Administrative FSP of the wrap funds does not guarantee the repurchase of participatory interests in the collective investment schemes that comprise the wrap funds. The Administrative FSP has service level agreements in place with the management company of each collective investment scheme according to which the repurchase of participatory interests in collective investment schemes comprising wrap funds are guaranteed. The costs and other information applicable to wrap funds are set out in the documentation of the administrator of the wrap funds.



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## 5. REGISTRATION OF INVESTMENTS

- 5.1 All investments managed by the FSP in terms of this Mandate shall, at the FSP's election, be registered from time to time in the name of:
- 5.1.1 The Client, or
  - 5.1.2 A Nominee company as the custodian thereof for the benefit of the Client, or
  - 5.1.3 A Nominee company of a member of the relevant stock or securities exchange, or
  - 5.1.4 In the case of a discretionary LISP, the independent custodian
- 5.2 The Client warrants and undertakes that all investments entrusted and/or delivered by it, or under its authority, to the FSP in terms of or for the purposes of this Mandate, are not and will not be subject to any lien, charge or other encumbrance or impediment to transfer and that the same shall remain free to any such lien, charge, encumbrance or impediment whilst subject to the FSP's authority pursuant to this Mandate.

## 6. TREATMENT OF FUNDS

- 6.1 The FSP shall forthwith deposit all funds received from the Client for the purpose of managing the investments as defined in the Mandate, directly into the bank account of the investment company or their nominee company where such funds are to be placed for the future management of the investment.
- 6.2 The FSP shall, forthwith on receipt thereof, deposit all cash moneys, including interest, dividends, proceeds of disposal and cash received in connection with the investments which are to be paid out to the Client into the Client's nominated bank account as they accrue and fall due. The nominated bank account is held at:

Name of Bank:

Branch & Branch Code:

Account Number:

## 7. VOTING ON BEHALF OF CLIENTS

- 7.1 The FSP may vote on behalf of the Client in respect of a ballot conducted by collective investment scheme in so far as the ballot relates to the investments managed by the FSP on behalf of the Client.

## 8. INFORMATION TO BE DISCLOSED BY PRODUCT PROVIDERS

- 8.1 The Client confirms that the FSP shall not be required to provide the Client with any information other than that which a product provider, such as a collective investment scheme or other listed insurance company, is required by law to disclose to the Client.

## 9. PROHIBITION AGAINST SELLING OR BUYING CERTAIN INVESTMENTS

- 9.1 The FSP shall not directly or indirectly:
- 9.1.1 Sell any financial products owned by the FSP to the Client
  - 9.1.2 Buy for its own account any investments owned by the Client



## 10. DECLARATION REGARDING FUNDS & INVESTMENTS

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- 10.1 The Client warrants, declares and undertakes that all investments entrusted and/or delivered by it, or under its authority, to the FSP in terms or for the purposes of this Mandate are derived from legitimate sources and do not constitute the "proceeds of unlawful activities" either as defined in the Prevention of Organised Crime Act No. 121 of 1998, as amended, or at all.
- 10.2 The Client further warrants that, where required, all funds entrusted to the FSP in terms or for the purpose of this Mandate are duly declared in terms of the Income Tax Act of 1962 and that the Client has obtained all necessary approvals from the South African Reserve Bank for foreign funds, assets or investments owned by the Client.

## 11. REPORTING

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- 11.1 The FSP shall furnish the Client with quarterly reports concerning the Client's investments.
- 11.2 The FSP may furnish the Client with electronic reports provided that the Client can access the reports.
- 11.3 The reports shall contain such information as is reasonably necessary to enable the Client to:
  - 11.3.1 Produce a set of financial statements;
  - 11.3.2 Determine the composition of the financial products comprising the investments and any changes therein over the period to which such report relates;
  - 11.3.3 Determine the market value of such financial products and any changes therein during the period to which such report relates.
  - 11.3.4 The FSP shall, on request in a comprehensible and timely manner, provide to the Client any reasonable information regarding the investments, market practices and the risks inherent in the different markets and products.

## 12. REMUNERATION

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- 12.1 In consideration for the management by the FSP of the investments, the Client shall make payment to the FSP by an initial administration fee of 1% based on the market value of the portfolio of the Client at the outset, payable upfront and an annual management fee of 1% based on the market value of the portfolio of the Client. Such management fee will be calculated on the market value of the portfolio at the end of each month.
- 12.2 The FSP will not receive commission / incentives, fee reductions or rebates from a LISP, collective investment scheme for placing the Client's funds with them: 0%.
- 12.3 In the event of the FSP being remunerated by the Life Assurance or Investment Companies, this fact will be disclosed to the Client and the parties may elect to negotiate a different fee structure.



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## 13. DISPUTES

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- 13.1 If any dispute or difference arises as to the validity, interpretation, effect or rights and obligations of either party under this Mandate, either party shall have the right to require that such dispute or difference be referred for a decision to arbitration before a single arbitrator.
- 13.2 The arbitration shall be held in an informal manner at [ ] and the identity of the arbitrator shall be mutually agreed upon between the parties within a period of 5 (five) days from the date that the arbitration is called for or, failing such mutual agreement within 5 (five) days, as nominated by the Chairman for the time being of the [ ] Bar Council or the President of the [ ] Law Society (or its successor). The arbitrator shall be an attorney or advocate of 10 (ten) years' standing or more with experience and knowledge of insurance law and with no interest in the proceedings.
- 13.3 The parties agree to keep the arbitration, its subject matter and evidence heard during the arbitration confidential and not to disclose it to any other person.
- 13.4 The decision of the arbitrator shall be final and binding upon the parties and not subject to appeal.
- 13.5 The arbitrator shall include in his award an order as to the costs of the arbitration and who shall bear them.
- 13.6 The arbitrator shall at his sole discretion decide on the formulation of the dispute for arbitration but shall at all times be guided by the requirements of the Financial Advisory and Intermediary Services Act 2002 and all applicable ancillary legislation.
- 13.7 The inclusion of this arbitration clause shall not prevent a party from applying to court for urgent relief in the appropriate circumstances.
- 13.8 The parties agree that all the terms of this Mandate are material.

## 14. TERMINATION OF MANDATE

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- 14.1 The FSP or the Client shall be entitled to terminate this Mandate by furnishing, the one to the other, not less than fourteen (14) calendar days written notice of such termination.
- 14.2 The FSP shall not initiate any market transactions in respect of any investments on behalf of the Client after receipt of notice of termination by the Client of this Mandate unless specifically instructed otherwise by the Client.
- 14.3 Upon receipt from the Client of any such notice of termination of this Mandate, all outstanding fees owing to the FSP in terms of or arising from the Mandate shall forthwith thereupon be and become due, owing and payable. In this regard the Client irrevocably authorises and empowers the FSP to deduct such fees either from the cash standing to the credit of the investments portfolio or from the sale of any securities or financial instruments forming part of the investments if such cash balance is insufficient to enable payment of such fees to be made.
- 14.4 Notwithstanding any other provision in this Mandate, the FSPs appointment shall immediately cease without prejudice to the rights and obligations of the FSP and the Client if its status as an authorised financial services provider is finally withdrawn in terms of the FAIS Act or any other provision of applicable legislation.

## 15. EFFECTIVE DATE

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- 15.1 This Agreement will become of force and effect on [ ].



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## 16. ADMINISTRATIVE ARRANGEMENTS

- 16.1 The Client shall apply for the investment products and portfolios on the applicable initial investment application forms.
- 16.2 Any amendment of any provision of this mandate shall be in writing and shall be by means of a supplementary or new agreement between the FSP and the Client.
- 16.3 The FSP may make use of the services of its staff and/or that of another authorised financial services provider to execute certain administrative functions in the course of rendering intermediary services to the Client.
- 16.4 The parties choose as their respective domicilium citandi et executandi:

The FSP at:

Fintech Campus, Ilanga and Botterklapper – The Willows, 0081



The FSP's e-mail address and facsimile number: Email info@aluma.co.za Fax: 086 597 2295

The Client at:




The Client's e-mail address and facsimile number:

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## SIGNED FOR AND ON BEHALF OF THE FSP

Signed:	Name:
At:	Date:
Witness: 	Name:
Witness: 	Name:

## SIGNED BY THE CLIENT

Signed:	Name:
At:	Date:
Witness: 	Name:
Witness: 	Name:



# DISCRETIONARY FSP MANDATE

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## SCHEDULE – FULL DISCRETION

I hereby authorise the FSP to manage my investments at its sole and full discretion in order to achieve my investment objectives as indicated below. This means that the Mandate is an unlimited Mandate for the FSP to exercise its full discretion with regards to the process of managing my investments and the FSP shall not need to obtain further authority or consent from me to effect any transactions in terms of the Mandate to which this is attached. The FSP may reinvest in terms of this schedule any amounts that have accrued to me in the form of interests, dividends and the proceeds of disposals.

THE CLIENT'S INVESTMENT OBJECTIVES ARE SPECIFIED AS FOLLOWS:

(\*mark and initial applicable selection)

<b>Long Term</b> (5 years or longer)	
Capital Growth	<input type="checkbox"/>
Income Generation	<input type="checkbox"/>
<b>Medium Term</b> (2 to 5 years)	
Capital Growth	<input type="checkbox"/>
Income Generation	<input type="checkbox"/>
<b>Short Term</b> (3 months to 2 years)	
Capital Growth	<input type="checkbox"/>
Income Generation	<input type="checkbox"/>
<b>Risk Preference*</b>	
Very Conservative	<input type="checkbox"/>
Conservative	<input type="checkbox"/>
Moderate	<input type="checkbox"/>
Aggressive	<input type="checkbox"/>
Very Aggressive	<input type="checkbox"/>

\* Risk preference is determined considering the current set of information and circumstances of the Client but may change over time.

## SIGNED BY THE CLIENT

Signed:	Name:
At:	Date:





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## SCHEDULE – LIMITED DISCRETION

I hereby restrict the FSP's discretion in the management on my behalf. The FSP's right to purchase and sell investments on my behalf may only be exercised by the FSP:

(\*mark and initial applicable selection)

On my instruction and prior consent	<input type="checkbox"/>
On the instruction of my investment advisor [_____], who is a financial services provider licensed in terms of section 8 of the FAIS Act.	<input type="checkbox"/>
Upon me receiving advice in respect of such investments from the FSP, and to which I have consented	<input type="checkbox"/>

Unless instructed otherwise, all cash accruals received in respect of the investments including dividends and interest, shall be:

(\*delete whichever is not applicable)

Reinvested as and when they fall due and shall form part of the investments	<input type="checkbox"/>
Paid out to the client into the indicated bank account	<input type="checkbox"/>

THE CLIENT'S INVESTMENT OBJECTIVES ARE SPECIFIED AS FOLLOWS:

(\*mark and initial applicable selection)

<b>Long Term</b> (5 years or longer)	
Capital Growth	<input type="checkbox"/>
Income Generation	<input type="checkbox"/>
<b>Medium Term</b> (2 to 5 years)	
Capital Growth	<input type="checkbox"/>
Income Generation	<input type="checkbox"/>
<b>Short Term</b> (3 months to 2 years)	
Capital Growth	<input type="checkbox"/>
Income Generation	<input type="checkbox"/>
<b>Risk Preference*</b>	
Very Conservative	<input type="checkbox"/>
Conservative	<input type="checkbox"/>
Moderate	<input type="checkbox"/>
Aggressive	<input type="checkbox"/>
Very Aggressive	<input type="checkbox"/>

\* Risk preference is determined considering the current set of information and circumstances of the Client but may change over time.

## SIGNED BY THE CLIENT

Signed:	Name:
At:	Date: