

FundsAtWork Umbrella Pension Fund

Reg. no. 12/8/32082

FundsAtWork Umbrella Provident Fund

Reg. no. 12/8/32083

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INVESTMENT ADVISER APPOINTMENT BY ADVISORY BODY

Introduction

1. The FundsAtWork Umbrella Pension Fund and the FundsAtWork Umbrella Provident Fund provide for the selection of an advisory body portfolio by the advisory body. In this case, the members' assets will be invested in the advisory body portfolio in the proportions determined by the advisory body.
2. Where the advisory body has selected the Provider or the Entrepreneur option, the advisory body may nominate an investment adviser to provide it with assistance in selecting the investment portfolios available within these options. The advisory body may also nominate such investment adviser to exercise the investment choice on their behalf. Should the nomination be successful and the investment adviser is appointed, the investment adviser will notify the members accordingly.
3. The investment adviser must tell the members that they may on giving written notice to the fund and the administrator, choose to opt out of the advisory body portfolio and direct that the assets held by the fund on their behalf be invested according to their choice, in the other portfolio/s offered by the fund. In the absence of such instruction, all money in the fund attributable to the member will be invested in the advisory body portfolio.
4. The trustees will specify from time to time the criteria that must be met for an investment adviser to be regarded as suitably qualified to provide the necessary assistance to an advisory body. The trustees will, in their sole discretion, determine whether an investment adviser nominated by an advisory body is suitably qualified and meets the criteria determined by them. An advisory body will not be entitled to nominate an investment adviser who does not meet the criteria. If the trustees at any time do not regard the investment adviser as suitably qualified, based on the stipulated criteria or any other criteria that may be relevant under the circumstances, their appointment will be terminated with immediate effect and the advisory body will be notified accordingly.
5. The advisory body will be required to submit the details of the nomination to the trustees for consideration. Thereafter the trustees will within a reasonable time consider the nomination and, if they in their sole discretion consider that the investment adviser is suitably qualified and meets the criteria as set by them, appoint the investment adviser. The advisory body may at any time request the trustees to terminate the appointment. In this event, the advisory body must immediately notify the fund of such a request and neither the fund nor the trustees shall be liable to the advisory body where fees are paid subsequent to a termination because the advisory body failed to inform the fund timeously.

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Trustees: Prof HA Lambrechts (Independent trustee and chairperson) RJ Botha (Independent Trustee)
J Mokorosi (Independent Trustee) W van der Veen (Trustee) P Naidoo (Trustee) F Kruger (Trustee) RE Hall (Alternate Trustee) CT Subban (Alternate Trustee) A Claassen (Alternate trustee) T Bakker (Principal Officer)

6. The criteria for appointment as an investment adviser are:

- (i) The financial services provider must have a Category I Financial Advisory and Intermediary Services (FAIS) licence and must specifically be licensed to provide advice on the following “financial products” as defined in the FAIS Act:
 - Category (b) as defined in “financial product” i.e. “a participatory interest in one or more collective investment schemes”or
 - Category (c) as defined in “financial product” i.e. “a long-term or a short-term insurance contract or policy, referred to in the Long-term Insurance Act, 1998 (Act No. 52 of 1998), and the Short-term Insurance Act, 1998 (Act No. 53 of 1998) respectively.
- (ii) The adviser must be registered as a key individual and / or a representative of the authorised financial services provider.
- (iii) The adviser must have a CFA or CFP qualification or must have at least 10 years experience in providing investment advice.

Nomination of investment adviser

7. The advisory body hereby nominates _____ (name of key individual or representative, ie the investment adviser) of _____ (name of financial services provider)

* to provide them with assistance in selecting the investment options and portfolios

* to exercise their investment choice on their behalf

in respect of the fund assets of the members who have not opted out.

* Please indicate the function that the investment adviser is to fulfill.

8. The advisory body agrees that upon nomination of the investment adviser to select the investment portfolios or to exercise their investment choice on their behalf or both, the advisory body will no longer be able to select the investment portfolios or to exercise the investment choice directly or both, unless the appointment of the investment adviser is terminated. Neither the fund nor the trustees will become liable to the advisory body and the members as a result of the advisory body not being able to select the investment portfolios or to exercise their investment choice or both.

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9. The advisory body has agreed that in the event of the successful appointment of the Investment Adviser, the rate at which fees will be payable to the investment adviser will be:

* % (max 1%) of every net contribution made in respect of the member, and

* % (max 0.5%) per annum of the assets held by the fund on behalf of the member, and

* % (max 5%) per annum of the positive out-performance of the assets

over _____ (insert positive benchmark) calculated on a money-weighted basis, over a period of 12 months ending on _____, every year.

* Please complete.

Fees are exclusive of VAT and payable monthly in arrears.

The aggregate of the fees shown above will not exceed 1.5% of the assets held in respect of the members over a 12 month-period. If –

- (a) a decrease of the assets of the members who have not opted out, due to negative investment returns, results in an overpayment of fees, no further fees will be payable to the investment adviser until the fee calculation in conjunction with the respective maxima indicates that a payment is due;
- (b) upon termination of the scheme or termination of the investment adviser's appointment the overpayment has not been recovered from the investment adviser, the investment adviser will repay the overpaid amount to the fund. If the investment adviser fails to do so, the fund will be entitled to institute legal proceedings for payment of the outstanding amount. The investment adviser agrees to the jurisdiction of the Magistrate's Court in such proceedings and accepts liability for the payment of all legal costs, on an attorney-and-own-client scale, incurred in the recovery of the outstanding amount.

10. The advisory body agrees that all the fees payable to the investment adviser in terms of this agreement will be charged against the assets held by the fund in respect of the members who have not opted out and shall be paid over by the fund to the investment adviser in terms of this agreement.

11. Fees paid will accrue on a daily basis at a rate equal to the annual fee divided by 365 (three hundred and sixty five) and the fund will pay amounts owed to the investment adviser monthly in arrear at the end of each month.

12. The investment adviser will provide a written report to the trustees as and when requested by them. The report will include all information that the trustees deem necessary.

13. If the investment adviser does not provide the communication or the written report to the trustees within the time frame specified, the trustees shall have the right to terminate this agreement.

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Appointment

14. The trustees of the fund hereby appoint the investment adviser

* to provide the advisory body with assistance in selecting the investment options and portfolios

* to exercise the investment choice on behalf of the advisory body in respect of the fund assets of the members who have not opted out.

* Please indicate what function the investment adviser is to fulfill.

15. In consideration for the services rendered to the fund in assisting the advisory body in selecting the investment portfolios or exercising their investment choice or both, the fund will pay the investment adviser the fees at the rate agreed to between the advisory body and the investment adviser in writing, but subject to such maxima as the trustees may from time to time determine. In the event of the advisory body and the investment adviser agreeing on the fees being revised, a new agreement to that effect will be entered into between the advisory body, the investment adviser and the fund.

16. The fund and the trustees will under no circumstances become liable to the advisory body and the members in respect of advice provided to the advisory body by virtue of this agreement or if any anticipated investment returns do not materialise.

17. Notwithstanding the appointment of the investment adviser by the trustees, all risk and responsibility regarding the choice of investments remains, at all times, that of the member. Advice provided by the investment adviser will not be attributable to the fund or the trustees in any way. The investment adviser undertakes in favour of the fund, the trustees and the members that they will ensure that the advisory body and the members are made aware of the risks pertaining to the investments concerned.

18. The advisory body indemnifies and holds the fund and the trustees not responsible against any losses or damages of whatsoever nature the members may suffer as a result of the appointment of the investment adviser and consequential actions taken by the advisory body and / or the members and / or the investment adviser.

19. The investment adviser confirms that they do not receive any financial reward from the investment manager or any other party for choosing a specific portfolio.

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Employer's name

Advisory body details

Name and Surname	ID number	Representing	Signature	Email address	Telephone number
		Member			
		Member			
		Member			
		Employer			
		Employer			
		Employer			

Signed at

Date

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Investment adviser details

Name

RSA ID:

 Yes No ID number

Signed at

Date

 - - 2 0

Signature

The investment adviser must submit the following documents to the principal officer together with this form, unless the investment adviser has already been approved by the trustees in terms of the adviser criteria stated in paragraph 6:

- (i) Copy of the authorised financial services provider's FAIS licence and the Annexure;
- (ii) Copy of adviser's CFA and / or CFP qualification or if no qualification;
 - (a) an affidavit by the adviser declaring their years of experience in providing investment advice to individuals; and
 - (b) client reference in writing.

Trustees' details

Signed at Centurion

Date

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Signature

Date

 - - 2 0

Signature