

10X Index Fund Managers Unit Trust

Terms and Conditions

Definitions

Act: The Collective Investment Schemes Control Act (2002), read together with regulations issued under the Act as amended from time to time. Legislation will take preference over the terms and conditions as set out in this document.

10X IFM: 10X Index Fund Managers (RF) (Pty) Ltd, an approved manager of collective investment schemes and the entity ultimately responsible for the management of the unit trusts – also referred to as “the manager”.

Collective Investment Scheme: 10X IFM Index Funds Scheme, the entity constituted by the main deed, under which all unit trusts are constituted via supplemental deeds which set out the objectives and mandate to be followed by the manager. The scheme is exclusively managed by 10X IFM.

Unit Trust: This is a portfolio of a collective investment scheme as defined in the Act. The portfolio is a pooled investment vehicle that allows many investors to pool their investments and gain access to a range of assets.

Units: Participatory interests in a portfolio of a collective investment scheme. Unit trusts are divided into equal parts, referred to as “units” of equal value. These units represent a proportionate interest in the underlying assets of the portfolio. Units have prices that are updated regularly that represent the value of each of the underlying units in the portfolio.

Net Asset Value (NAV): Unit prices are calculated on a NAV basis which is the total assets in the portfolio including any accrued income less and permissible deductions divided by the total number of units outstanding. The number of units multiplied by the prevailing unit price will equal the total value of the portfolio.

Phase In: A method of investment where the investor’s contribution is gradually invested into the portfolio.



Unitholder: The person or legal entity who has invested in one of the unit trusts under the scheme. The person or legal entity in whose name the investment is held – addressed as “you”.
Investment Account: This account, assigned to the unitholder, keeps a record of investments and withdrawals, returns and the current value of your investment.

Business Day: Any day other than a Saturday, Sunday or South African public holiday. In this document, business day and day have the same meaning.

Minimum Disclosure Document (MDD): A document containing key information pertaining to a unit trust.

Trustee/Custodian: An independent third party appointed to safeguard the assets of a portfolio against fraud and mismanagement. The trustee also ensures the portfolio is managed in accordance with the Act as well as the portfolio mandate.

Documents Forming Part of this Agreement

The parties to this agreement are you and 10X IFM. The terms of your investment with 10X IFM are based on the application form, supporting documents that you provide and this document. All other relevant instructions you provide to 10X IFM, duly received, also form part of this agreement.

The relevant instructions provided to 10X IFM are subject to:

- Being in the stipulated format as required by 10X IFM
- Applicable legislation at the time of the instruction
- The availability of the selected unit trusts
- The processing requirements of 10X IFM (including but not limited to cut-off times, investment minimums and processing periods)

10X IFM reserves the right to cancel or delay your instruction subject to a breach of any of the above.



Client Rights & Duties

Accurate Information: You must ensure that all communications, instructions and supporting documents submitted to 10X IFM contain true and accurate information.

Financial Advice: 10X IFM does not provide financial advice. If you would like financial advice, it is up to you to source the services of an accredited and appropriately qualified advisor and to negotiate the fee with that advisor. You may appoint, remove or change your financial advisor at any stage by submitting this instruction to 10X IFM. 10X IFM will inform your advisor of the change. If you appoint a new advisor, this will take effect subject to the onboarding process of that advisor and 10X IFM's due process.

Contributions: You may make an initial lump sum investment, an additional lump sum investment or a monthly recurring investment via debit order. All investment contributions are subject to the minimums stipulated at the time of the transaction and should be made in South African Rands (ZAR) via electronic transfer or cheque deposits.

Trading Timelines: 10X IFM Will make every effort to honour instructions received before 14h00 on a business day on the same day. Instructions received after 14h00 will be processed on the following business day.

Debit Order: Debit orders are collected on the 1st or 25th of each month. New debit order instructions must be received by the 10th calendar day of the month to be effected on the 25th or the 20th calendar day of the month to be effected by the 1st working day of the following month. 10X IFM may accept, suspend or delay your application or subsequent instructions if 10X IFM decides that the circumstances warrant this action. 10X IFM may also reverse transactions if the circumstances warrant such a reversal. 10X IFM, at its discretion, shall pay or collect any amount (provided you owe any amounts to 10X IFM) through the Automated Clearing Bureau, by means of Electronic Funds Transfer ("EFT") or through direct debit or credit notes addressed to your bankers. Any amounts paid to 10X IFM using these methods will be viewed as "received" on the date that the debit order, cheque or EFT payment has been credited to our account by our bankers.

Phase In: You may phase in an investment, subject to minimums applicable at the time, over 3, 6 and 12 months through a fixed instalment. Phased in investments are raised on the 15th of each month, if not a business day, the phase in will be raised on the following business day. Completed phase in instructions will need to be received by 10X IFM by 14h00 at least 7 business days prior to the scheduled phase in day, if not, the instruction will only be processed the following month.

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Investment Decision and Monitoring: You need to select one or more unit trusts that meet your investment risk and return objectives subject to your circumstances. It is also your responsibility to review and monitor your investments to ensure they remain appropriate. 10X IFM does not take responsibility for your investment choice.

Portfolio Switching: You may switch between portfolios by submitting a switch instruction form. It is your responsibility to understand any tax implications of this decision. 10X IFM does not provide tax advice.

Replacement Implications: As with advice, it is your responsibility to understand the implications of replacing an existing investment with an investment into one or multiple unit trusts managed by 10X IFM.

Distributions: Some unit trusts earn interest and dividends from the underlying investments. If this exceeds any applicable expenses in the fund, an income distribution will be declared. It is your responsibility to indicate whether you would like this income distribution to be paid out to you into your bank account or reinvested, net of any applicable taxes.

Tax: SARS requires 10X IFM to pay over withholdings tax on your behalf where applicable. You may qualify for an exemption. If this is the case, please complete the relevant exemption form. Any other processes relating to tax will be conducted in accordance with the prevailing legislation at the time and the information you have provided to 10X IFM. Applicable taxes depend on various factors including your tax residency. 10X IFM is not a tax practitioner and does not provide tax advice.

Withdrawals: You may withdraw all or some of your investment by submitting a completed redemption instruction. Withdrawals will only be paid to bank accounts reflecting the name of the investor. No third party account payments will be processed. No withdrawals will be processed if there are outstanding investments or debit orders yet to be processed. Debit orders and cheque deposits can only be disinvested after 45 days and 10 days respectively. Partial or full redemptions will be subject to capital gains tax. If additional documentation relating to your personal details is required to process the withdrawal, this will only occur once all documentation has been received by 10X IFM.

Regular Withdrawals: You may schedule regular withdrawals to be paid to a bank account in the name of the investor. These withdrawals are paid on the 24th of the month and can be scheduled monthly, quarterly, bi-annually or annually. Regular withdrawals are subject to a minimum of R500 per portfolio.



Transfer of Ownership: You may transfer ownership of all or some of your investment to an individual or legal entity. It is your responsibility to understand the tax implications of this decision as well as submit the relevant transfer instruction completed by the transferor (you) and the transferee.

Report Errors: It is your responsibility to report errors to 10X IFM within 14 days of receiving a transaction confirmation and/or an investor statement or within 14 days of becoming aware of the error through any other means.

Cede Units: You may cede some or all of your investments as security. It is your responsibility to manage the cession.

Vote: If a change to a portfolio is proposed. You will be requested to vote in a ballot. The ballot letter will govern the process and any deemed vote (if applicable). 10X IFM will not vote on your behalf.

Contact Details: You must inform 10X IFM of any changes in your banking or contact details (including your postal and email address). You must forward a copy of a recent bank statement in support of your revised details.

Death: In the event of your death, 10X IFM will need to be notified. Notice should be given in writing including personal details, your identity number, letter of executorship, a copy of the death certificate and your investor number. Following this notification, 10X IFM will only act on instructions from the executor of your estate.

Requested Information: 10X IFM may request information from you from time to time in respect of your investment or due to any legislated changes. It is your responsibility to respond timeously to this request. Whilst 10X IFM will make every effort to request this from you, 10X IFM will not be held responsible for the consequences that follow if the information is not received.

10X IFM Rights & Duties

Honesty and Integrity: 10X IFM will act with due care, honesty, fairness and integrity in all dealings with you. 10X IFM will also, wherever possible, avoid any conflicts of interest.

Identify You: 10X IFM is an accountable institution in terms of the anti-money laundering legislation and must therefore comply with the Financial Intelligence Centre Act (FICA) requirements. We will take reasonable steps to verify your identity (and the person/s acting on

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your behalf), your normal or temporary address, source of wealth and funds before a transaction is entered into or a business relationship is concluded with you. This is referred to as “Know Your Customer” (KYC).

We use the information that you complete in your initial application and any supporting information you submit. A list of the supporting documentation required by 10X IFM will be supplied with your application form. We may request from time to time that you provide us with additional documents as well as proof of information you have provided previously in order to confirm your details have not changed. We reserve the right to request any additional evidence to identify the source of this investment in order to confirm whether the monies deposited in the investment account were obtained from legitimate sources. When providing this evidence, you will be required to comply with the prevailing legislation including, but not limited to anti-money laundering and income tax legislation.

Personal Information: You acknowledge that 10X IFM requires your personal information, as defined in the Protection of Personal Information Act of 2013 ('POPIA'), and consent to 10X IFM processing such information to open and administer your investment accounts. In addition, you expressly consent that 10X IFM may process your personal information (including your voice biometric data) for security purposes to comply with its obligations in terms of legislation. 10X IFM may transmit your personal information to third-party service providers for the purposes of storing and maintaining that information. Where information is transmitted to offshore providers, 10X IFM has confirmed that sufficient legislation and agreements are in place to ensure the protection of that information. Where directed by your financial adviser, 10X IFM will transmit your information to third-party service providers appointed by your advisor.

Instructions: 10X IFM is responsible for processing your instructions. This will only be actioned once all supporting documentation has been received and all requirements have been met. Please note that it may take longer for a redemption to reflect in your bank account, although it may already reflect on your investor statement. If 10X IFM receives an instruction whilst an instruction is still in progress, 10X IFM may delay the second instruction until such time that the first instruction has been processed. 10X IFM may accept, suspend or delay your application or subsequent instructions if 10X IFM decides that the circumstances warrant this action. 10X IFM may also reverse transactions if the circumstances warrant such a reversal.



Losses: 10X IFM is not responsible for losses due to:

- The investment risk of an investment;
- Changes in taxation or other legislation;
- Delays in processing due to financial advisors, either not being licensed or not having an agreement in place with 10X IFM;
- Financial advisors acting beyond the scope of their FSB license;
- Unauthorized instructions provided to 10X IFM by an advisor on your behalf;
- Failure of any network, electronic or mechanical devices;
- Any information provided to your advisor via any method of communication;
- 10X IFM acting on information sent electronically;
- 10X IFM acting on incorrect information where you have failed to notify 10X IFM of any changes to the information;
- The delayed sale of units due to ring-fencing;
- Delayed processing due to circumstances that cause disruptions in the processing of instructions; and
- Any cause that is not within 10X IFM's control.

Investment Risk: You carry the investment risk, which includes the possibility of losing capital. The value of units may go down as well as up and past performance is not necessarily a guide to future returns. Unit trusts are generally medium to long term investments. 10X IFM does not guarantee performance.

Cancellation: Due to the nature of the product, there are no cooling off periods applicable. You may not cancel your investment; however you may sell your investment at the prevailing unit price and instruct 10X IFM to close your account.

Bank Interest: Bank Interest earned on deposits made by you will be added to your investment amount if it has been in the bank account for more than 24 hours.



Communication: 10X IFM will communicate with you to provide important information relating to your investment. Communication will be conducted via email unless you have specifically requested that we post this information to you. You indemnify 10X IFM for the security of information sent to you via email at your request, for the proper and complete transmission of such communication as well as any delay in its receipt. 10X IFM will communicate the following to you:

- Confirmation of your investment application;
- Confirmation of changes made to your investment;
- Quarterly investment statements;
- Annual tax certificates (IT3(b) / IT3 (c)); and
- Notices on events that impact your investment.

Where you have appointed a financial advisor and given 10X IFM permission, 10X IFM will provide the advisor with online access to such statements and tax certificates furnished to you. You may request this information from 10X IFM or from your advisor in this case. It is important to note that if you have invested via an online transactional platform, statements will be made available on that platform and not necessarily emailed to you.

Portfolio Closure: 10X IFM reserves the right to close a portfolio to new investments or to wind down a portfolio in accordance with the Act.

Borrowing: 10X IFM may borrow a stipulated proportion of the market value of a unit trust, as prescribed by the Act, in the event the unit trust does not hold sufficient cash in order to meet its obligations.

Professional and Fidelity Insurance: 10X IFM is insured against fraud, negligence and dishonest behaviour.

Terms of Agreement: 10X IFM may amend this document and terms of agreement from time to time. Please note that this may not be the latest version of these terms and conditions applicable to your agreement with 10X IFM. Please contact client services for an updated version.

Annual Fees

Investment Management Fee: Annual investment management fees are levied and are calculated daily based on the market value of the portfolio at the end of each day. These fees vary per unit trust and per share class, the most expensive share class is available on each unit trust's MDD. 10X IFM does not charge performance fees. A portion of the investment management fee may be used to cover administration costs.

Allowable Deductions: There are other additional expenses associated with unit trust investments and are deducted within the unit trust and are therefore included in the published performance figures and prices of the unit trust. These costs include custody/trustee fees, audit fees, bank charges securities transfer tax (STT), brokerage charges and value-added tax (VAT).

Financial Advisor Fee:

If you appoint a financial advisor, the fee charged must be negotiated between you and your advisor. If you and your adviser agree to an annual financial adviser fee (as indicated in the application form or any other written communication acceptable to 10X IFM), 10X IFM will deduct the fees by selling units from the unit trust and pay the amounts to the advisor monthly. The annual advice fee is not permitted to be greater than 1% excluding VAT. 10X IFM does not facilitate initial advice fees.

Other Fees: There is no fee when you withdraw from or invest in a 10X IFM unit trust. VAT may be added to any fees or charges relating to your investment.

The fees and charges that 10X IFM deducts from your account may change. 10X IFM will notify you when there is a change in calculation methodology or any additional or increased fee proposed.

Reporting of fees: Your investment statement will indicate the applicable fees for the period. More information about the fees and charges may be obtained from 10X IFM.

Governing Legislation

- Collective Investment Schemes Control Act (CISCA)
- Financial Advisory and Intermediary Services Act (FAIS)
- Financial Intelligence Centre Act (FICA)
- Income Tax Act
- Protection of Personal Information Act (POPIA)
- All other relevant legislation as the case may be

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INVESTMENTS

Contact Details

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