

# PRUDENTIAL NAMIBIA UNIT TRUSTS TERMS AND CONDITIONS

## The role of the Manager

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

## The Managers details are:

Prudential Namibia Unit Trusts Limited  
6 Feld Street  
Windhoek  
Namibia

The Manager is a member of the Association of Unit Trusts Limited of Namibia (AUT).

## 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 trust deed. The Main trust deed and supplemental trust 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 Registrar of NAMFISA. The supplemental trust deed sets out, among other things, the investment objectives and mandate to be followed by the Manager.

## The Trustee's/Custodian details are:

FNB Namibia Limited Trustee Service  
209-211 Independence Avenue  
Windhoek  
Namibia

## Financial Adviser limitation

The Manager may contract with intermediaries to introduce the Prudential unit trust funds. The Prudential SA Group has not authorised any entity to represent Prudential Namibia to potential or existing clients. Financial Advisers may introduce you to Prudential Namibia. However, you and Prudential Namibia directly negotiate legal rights and obligations.

## Fees

The fees that apply for these unit trust funds are set on the attached Collective Investment Schemes (CIS) summary which is available on our website ([www.prudential.co.za/cis-pnut.pdf](http://www.prudential.co.za/cis-pnut.pdf)).

The Manager does not charge an Initial Management Fee and none of the fund charge a performance fee.

The Manager may pay a standard Ongoing 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. An additional 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. 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 "Prudential Unit Trust Schemes". Please refer to the Unit Trust (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 exclusive of VAT.

## 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 Unit Trust Control Act and the supplemental trust 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

- the Money Market Fund, which have cut-off times of 11:30am and 10:30am respectively.
- Investor redeeming more than 5% of the total value of the relevant fund. (See below Payments paragraph for terms of disinvestment).

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.

## Investment minimums

There is a minimum market value requirement of N\$2 000 per fund. 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.

## 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 day written notice of such redemptions. If this notice is not received, the Manager may treat such redemption

as only being received on the 7<sup>th</sup> business 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.

### **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 20<sup>th</sup> day of each month to act on the instruction before the 1<sup>st</sup> 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. It will only proceed with a transaction if there is no doubt as to the validity of any signatures or information, and when the instruction is complete. The Manager cannot be held liable for any losses resulting from the above requirements.

### **Protecting your information**

By law, the Manager has to request and keep investor and investor representative information to perform its obligations lawfully, fairly and competently. The Manager is committed to protecting investor information and undertakes to use it only for the purposes for which it was requested and to never deliberately share the information with anyone outside of the Prudential Group, which has controls and information technology security in place to protect personal information from unauthorised use.

### **Conflict of interest disclosure**

The asset manager 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, Prudential Namibia 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. Prudential Namibia manages and monitors the risks of personal and business conflicts of interest. Controls include awareness, disclosures, approval processes and enforcement. Prudential Namibia 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 clients. If investment performance is poor, investment professionals receive less pay. The Prudential Namibia Trust, of which all employees are beneficiaries, is a direct shareholder of 10% in PPM Namibia. Staff may trade financial instruments for their own profit. Personal trading is monitored by Prudential Namibia's Risk and Compliance. No staff member may trade for their personal account while clients are in the market. Staff may invest in the financial products managed by Prudential Namibia, e.g. unit trust funds.

### **Complaints**

Prudential Namibia 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.