

PRUDENTIAL UNIT TRUSTS TERMS AND CONDITIONS



The role of the Manager

The Manager manages the Prudential unit trust funds. The Manager does not give financial advice and therefore cannot give any recommendation, guidance or proposal regarding any of the Prudential 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 Portfolio Managers Unit Trusts Limited
7th Floor Protea Place
Cnr Dreyer and Protea road
Claremont
Cape Town

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

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 Registrar of the Financial Service Board. 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 Prudential unit trust funds. The Prudential SA Group has not authorised any entity to represent Prudential SA to potential or existing clients. Financial advisers may introduce you to Prudential SA. However, you and Prudential SA directly negotiate legal rights and obligations. Neither Prudential SA, nor the Manager may accept an introduction of a client from a financial adviser who is not approved as a Financial Services Provider (FSP) by the Financial Services Board. 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

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-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.prudential.co.za/performance-fees.pdf.

The Manager does not charge an Initial Management 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 Advisor 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 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 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 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.

Investment minimums

There is a minimum market value requirement of R2 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 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.

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. 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. 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

Prudential SA may collect, use, disclose or otherwise process your personal information for the purposes of providing the products and/or services which you have requested from Prudential SA. Prudential SA is required to process and keep investor and investor representative information to perform its obligations lawfully, fairly and competently. Prudential SA has controls and security measures in place to protect personal information from unauthorised use. We may share your personal information with our employees, agents, sub-contractors, with other entities within the Prudential group, with your adviser and/or their duly appointed agent, where directed. Personal information may be transferred to offshore providers. In such instances Prudential SA 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 Prudential SA's privacy policy, which can be obtained at www.prudential.co.za/prudential-online-privacy-policy.pdf.

Conflict of interest disclosure

Prudential Investment Managers (SA) 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 SA 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 SA manages and monitors the risks of personal and business conflicts of interest. Controls include awareness, disclosures, approval processes and enforcement. Prudential SA 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 Employee Equity Trust, of which all employees are beneficiaries, is an indirect shareholder of 28.01% in the Managers holding company, Prudential Portfolio Managers (SA). Staff may trade financial instruments for their own profit. Personal trading is monitored by Prudential SA'S Risk and Compliance. No staff member may trade for their personal account while Prudential SA's clients are in the market. Staff may invest in the financial products managed by Prudential SA, e.g. unit trust funds.

Complaints

Prudential SA 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@prudential.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.