

**NAMIBIA UNIT TRUST  
TERMS AND CONDITIONS**

EFFECTIVE 2 SEPTEMBER 2024

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## **Allan Gray Namibia Unit Trust – Terms and conditions**

This document sets out the terms and conditions applicable to your Allan Gray Namibia Unit Trust investment.

### **DEFINITIONS**

#### **Allan Gray**

The company that administers the unit trust(s) is Allan Gray Namibia Unit Trust Management Limited. It is authorised to do so as a Manager in terms of the amended Unit Trust Control Act of 1981. In this document it is referred to as 'Allan Gray'.

#### **Unitholder**

The person/legal entity, including a trust, registered in Namibia for tax purposes who has invested in Allan Gray unit trusts and in whose name the investment is held – addressed as 'you'.

#### **Investment account**

The account through which the unit trust(s) you choose is administered.

#### **Portfolio of a collective investment scheme**

This is an arrangement that enables investors to pool their money and have it professionally managed and invested in a range of underlying assets. The underlying assets of a Portfolio vary depending on the Portfolio's investment objective. Portfolio's are commonly referred to as 'unit trust(s)' or 'fund(s)'. In this document the term 'unit trust' is used.

#### **Participatory interest in a portfolio of a collective investment scheme**

A Portfolio of a Collective Investment Scheme is divided into equal parts, also referred to as 'units'. Each unit represents a direct proportionate interest in every underlying asset of the Portfolio. The number of units in your Investment Account depends on how much money you contribute and what the unit price is when the units are bought.

#### **Business day**

A business day is any day other than a Saturday, Sunday or public holiday in Namibia or South Africa. In this document day and business day have the same meaning.

### **WHICH LEGAL ENTITIES ARE PARTY TO THIS AGREEMENT?**

There are two legal entities that are party to this agreement. These are:

- You
- Allan Gray

### **WHICH DOCUMENTS FORM PART OF THE AGREEMENT?**

The terms of your unit trust investment with Allan Gray is based on the application form, supporting documentation that you provide and this document. All other instructions which you provide and which Allan Gray accepts will also form part of the agreement.

## WHAT ARE YOUR RIGHTS AND RESPONSIBILITIES?

All instructions need to be in the prescribed format and accepted by Allan Gray.

All instructions are subject to:

- The requirements of Allan Gray and applicable legislation at the time of the transaction,
- The availability of the selected unit trust(s),
- The processing requirements of Allan Gray (this includes cut-off times and time periods for processing),
- Terms and conditions of Allan Gray, and
- Minimum amounts specified by Allan Gray, applicable at the time of the transaction.

Allan Gray may suspend, delay or withdraw your instruction due to any of the above.

### Provide accurate information

You must ensure that all information in instructions and supporting documentation that Allan Gray receives from you is true and accurate.

### Make informed financial decisions

If you require financial advice it is your responsibility to appoint a financial adviser. Allan Gray does not provide financial advice. It is also your responsibility to negotiate the fees payable for advice with your financial adviser.

### Appoint or change your financial adviser

You may appoint, change or remove your financial adviser at any stage by writing to Allan Gray. Allan Gray will inform your financial adviser of the change. If you remove your appointed financial adviser, this will take effect after five business days.

### Make contributions

You may make the following contributions:

- Initial lump sum
- Additional lump sum
- Recurring monthly contributions via debit order

### Electronic Collection by Allan Gray

If you instruct us to collect your investment via debit order, the instruction to collect money from your bank account will continue until you terminate it by giving Allan Gray notice of not less than 4 business days.

I understand and acknowledge the following:

- The details of each electronic collection will be printed on my bank statement and will contain "Allan Gray" and a client number to help me to identify the instruction.
- All electronic collections processed by Allan Gray will be treated by my own bank as if the instructions have been issued by me personally.
- I may cancel a debit order instruction. I will not be entitled to any refund of amounts withdrawn, while the instruction was in force, if these amounts were legally owing to Allan Gray.
- An electronic collection instruction may not be ceded to a third party.
- If I reverse any electronic collection instruction with my bank after units have been purchased on my behalf, the cancelled instruction will not constitute a valid contribution, and I may be held liable for any losses suffered by Allan Gray.
- Allan Gray cannot process electronic collections from bank accounts outside of South Africa or Namibia.

### **Select your unit trust(s)**

You need to select one or more unit trusts that suit your investment needs and risk profile. At the discretion of Allan Gray, certain unit trusts may be subject to availability.

### **Monitor your unit trust(s)**

You are responsible for regularly reviewing your unit trust(s) and ensuring that it suits your circumstances. Allan Gray does not take responsibility for your selection.

### **Select your income distribution preference**

Unit trusts may earn interest and dividends from the underlying assets. This is declared as an income distribution if the interest and dividends exceed the total unit trust's expenses.

You need to indicate whether you prefer the income distribution to be paid directly into your bank account or re-invested, net of any applicable taxes.

### **Withholding tax on interest**

Under section 34A of the Namibian Income Tax Act, Allan Gray is obliged to pay 10% withholding tax on interest on your behalf. Namibian companies and pension funds are not subject to 10% withholding tax.

### **Switch between unit trusts**

You may switch between the available unit trusts. All switch transactions have two components:

- Sell units from your existing unit trust
- Buy units in another unit trust

If the market value of a unit trust from which you wish to switch is less than the minimum amount prescribed by Allan Gray, Allan Gray will switch the whole amount. This amount must be switched into one unit trust.

### **Withdraw some or all of your investment**

You may withdraw some or all of your investment by selling the units in the Investment Account. You may also schedule regular withdrawals on a monthly, quarterly, half yearly or yearly basis. However, should the market value of the Investment Account decrease below Allan Gray's required minimum balance after your withdrawal(s), Allan Gray may require you to withdraw the remaining balance.

### **Transfer ownership**

You may request a transfer of some or all of your units in your Investment Account to another legal entity.

### **Report errors**

You have 14 days after receipt of the investment confirmation or any statement from Allan Gray to report any errors.

### **Notify Allan Gray of changes in bank or contact details**

You need to inform Allan Gray of any changes in your bank or contact details, including your postal and email address, and provide supporting documentation where appropriate.

### **Cede the units**

You may cede some or all of your units in your Investment Account as security. It is your responsibility to manage the cession.

## Vote in a ballot

You may vote in any ballot that affects the unit trust(s) you selected. Allan Gray will not vote on your behalf.

## WHAT ARE ALLAN GRAY'S RIGHTS AND RESPONSIBILITIES?

### Accept or reject instructions

Allan Gray may accept or reject your application or any subsequent instructions. Allan Gray may also reverse a transaction if it decides the circumstances justify it.

### Communicate with you

Allan Gray will communicate with you. You are entitled to any information that the law requires a Manager or listed company to disclose.

You may select whether the financial adviser receives communication on your behalf. Where you have made no selection:

- transaction confirmations will be sent to both you and your appointed financial adviser
- quarterly statements and other communication will only be sent to you

### Confirm changes

Allan Gray will confirm any changes made to your investment with you.

### Provide statements

Allan Gray will provide you with quarterly statements and certificates of income for taxation purposes where applicable. Additional statements are available by contacting Allan Gray at +264 (61) 22 11 03.

### Process all instructions

Allan Gray is responsible for processing your instructions. Allan Gray will process your instruction once all supporting documentation is received and requirements are met.

Unit prices are calculated daily by taking the total value of all assets of the unit trust, including any income accrual less permissible deductions, and dividing that by the number of units created for the unit trust. Because pricing takes place at the close of each business day, the price is only available the following business day.

### Processing timelines for

Buying, selling and switching

The table below shows the timeline for buying and selling units in a unit trust, and for switching between Allan Gray unit trusts:

| Business cut-off to receive an instruction is 14:00 | Process the instruction | Buy or sell units | Unit price received from the manager | Shows on investor statement |
|---|-------------------------|-------------------|--------------------------------------|-----------------------------|
| Before 14:00 (Day 1)                                | Day 1                   | Day 1             | The price at the close of Day 1      | Day 2                       |
| After 14:00 (Day 1)                                 | Day 2                   | Day 2             | The price at the close of Day 2      | Day 3                       |

Units purchased with a cheque deposit cannot be sold within 14 days of the investment date. Units bought with a direct debit or a recurring debit order can only be sold after 32 business days of each investment date.

### **Recurring monthly contributions via debit order**

You may select to contribute via debit order on the 1st or 15th of each month. Allan Gray will collect the contribution on your selected date and invest it at the unit price of the day the collection reflects in our bank account. If your selected date is not a business day Allan Gray will collect the contribution on the next business day. Allan Gray needs to receive the instruction by 14:00 two business days before the selected date. Any instructions received after the cut-off date will be processed the following month.

### **Regular withdrawals**

The payment day is the 27th of every month. If the 27th is not a business day the payment will take place on the previous business day. Allan Gray needs to receive all instructions by 14:00 three business days before payment day for payment to take place that month. Any instructions received after the cut-off date will be processed for the following month's payment date.

### **Processing sequence of multiple instructions**

If Allan Gray receives an instruction while another instruction is in progress, the second instruction may be delayed until the first is complete.

### **Allocate bank interest earned**

Bank interest earned by Allan Gray in its bank account on deposits made by you will be added to your investment amount if it is in Allan Gray's bank account for more than 24 hours.

### **Make payments**

When you withdraw some or all of your units in your investment, payment will be made in the name of the investment account holder. All payments are made via electronic fund transfer only, into a current or savings account held in the name of the investment account holder.

### **Remove a unit trust**

If for any reason a unit trust you selected is no longer available, Allan Gray will give you written notice. Allan Gray will ask you to select an alternative from the list of remaining unit trusts.

### **Close a unit trust**

Allan Gray may close a unit trust for new investments at any time.

### **Scrip lending**

Allan Gray is allowed to lend out the underlying assets of the unit trust.

### **Professional indemnity and fidelity insurance cover**

Allan Gray is insured against fraud, negligent or dishonest behaviour.

### **Amend the terms of this agreement**

Allan Gray may amend its terms and conditions. Please contact Allan Gray on +264 (61) 22 11 03 or [www.allangray.com.na](http://www.allangray.com.na) for the latest version of these.

## **WHAT HAPPENS FOLLOWING YOUR DEATH?**

Allan Gray must be notified of your death in writing at its head office. The notification should include:

- Your personal details
- Identity number
- A certified copy of the death certificate
- Your investor number

Following the notification of death, Allan Gray will only act on instructions received from the executor of your estate.

## **WHAT IS ALLAN GRAY NOT RESPONSIBLE FOR?**

### **Advice**

Allan Gray does not give advice and does not employ financial advisers.

### **Certain losses suffered**

Allan Gray is not responsible for any losses that may be suffered due to:

- The investment or market risk of the underlying investments
- Changes in tax or other legislation
- Delays in the processing or the rejection of an application because the financial adviser is either not an authorised Financial Services Provider or does not have a contract with Allan Gray
- Unauthorised instructions given by the financial adviser
- The failure of any networks or electronic or mechanical devices
- Allan Gray providing your appointed financial adviser with details about your investment either via telephone, email or fax
- Allan Gray acting on information sent electronically
- Allan Gray acting on incorrect information where you have failed to notify them of any changes to such information
- The delayed sale of units in a unit trust due to ring-fencing

Ring-Fencing is the separation and delayed sale of units in a unit trust. Large sale of units in a unit trust above certain thresholds may cause ring-fencing. This ensures that the sale of a large number of units will not force Allan Gray to sell the underlying investments at a price in the market which could have a negative impact on investors. Allan Gray may delay the payment or reinvestment of the proceeds of the sale of units.

### **Delays in processing instructions**

Allan Gray will carry out instructions at the earliest possible opportunity, subject to legislation, its own administration procedures and any unit trust limitations. Allan Gray does not accept responsibility for delays in processing instructions as a result of extraordinary events that cause disruptions.

## **WHAT DOES NOT APPLY TO THIS AGREEMENT?**

### **Cancellation**

You cannot cancel the investment and there is no cooling-off period. However, you may sell the units of the Investment Account at the ruling unit price.

### **Investment guarantees**

The market value of the units may go down as well as up, and past performance is not necessarily a guide to the future. Unit trusts are generally medium- to long-term investments. You carry the investment risk, which includes the possibility of losing capital.

## **WHAT FEES AND CHARGES DO YOU PAY?**

If a fee or charge is levied, this is passed on to you by reducing the underlying investments of the Investment Account by the same amount.

Your choice of unit trusts will determine certain aspects of the fee structure.

Where applicable, these fees and charges are levied proportionately across all unit trusts of the Investment Account.



Allan Gray may be required to pay any charges due to a change in:

- Tax (including any new tax)
- Legislation
- Practice, or interpretation of any legal or regulatory authority

## Initial fees

Initial fees are deducted before the investment is made.

### 1. Administration fee

There is no initial administration fee.

### 2. Investment management fee

There is no initial investment management fee.

### 3. Financial adviser fee

If you and your financial adviser agree to an initial financial adviser fee (as indicated in the application form or any other written communication acceptable to Allan Gray), Allan Gray will deduct the agreed amount from the investment before the investment is made.

## Annual fees

All annual fees are calculated daily, based on the market value of the investment at the end of each day.

### 1. Administration fee

A portion of the investment management fee may be used to cover administration costs.

### 2. Investment management fee

Annual investment management fees are charged. These fees vary per unit trust; they may be fixed or performance related. There are also other allowable expenses associated with unit trusts. These fees and expenses are deducted within the unit trust, and are therefore accounted for in the unit trust's published unit price. Please refer to the relevant unit trust fund factsheets documents or unit trust brochure for more details.

### 3. Financial adviser fee

If you and your financial adviser agree to an annual financial adviser fee (as indicated in the application form or any other written communication acceptable to Allan Gray), Allan Gray will deduct the fees by selling units from the unit trust and pay the amounts to the adviser monthly.

## Other fees

### 1. Termination or unit trust exit fee

There is no fee when you withdraw your investment from Allan Gray unit trusts.

### 2. Unit trust switching fee

Allan Gray does not currently charge a switching fee.

## Permissible deductions

There are other charges (in addition to unit trust management fees) that may be deducted from the unit trust. These are to cover bank charges, trustee/custodian fees, audit fees, securities transfer tax (STT), brokerage and value-added tax (VAT). These expenses are included in the published price of the unit trust.

### **Value-added tax (VAT)**

VAT may be added to any fees or charges relating to your investment.

### **Changes in fees or charges**

The fees and charges that Allan Gray recovers from the Investment Account may change. Allan Gray will give you three months' written notice when:

- New or additional charges or fees are added
- There is a change in the method of calculation to any:
  - Initial administration fee
  - Annual administration fee
  - Unit trust switching fee
- Unit trust exit fee, which leads to an increase in fees

### **Reporting of fees**

The quarterly statement will indicate the applicable fees for this investment for that period as well as the fees applicable for the next period. More information about the fees and charges may be obtained from [info@allangray.com.na](mailto:info@allangray.com.na).

## **WHAT LEGISLATION AND REGULATIONS GOVERN THIS AGREEMENT?**

The following are some of the main acts and regulations that govern this agreement. Amendments to or replacements of the legislation and directives issued by the regulatory authorities may change these terms and conditions.

### **The Unit Trusts Control Act**

This act regulates management of Unit Trust Schemes.

### **Exchange Control Regulations**

The availability of certain unit trusts are subject to these regulations.

### **The Namibian Income Tax Act**

This act applies where we refer to taxation.

### **Financial Intelligence Act**

This act requires that Allan Gray obtains certain information to verify who you are before it processes your application.

## **CONFLICTS OF INTEREST**

If you wish to access the Allan Gray Conflict of Interest Management Policy, please contact our Client Service Centre on +264 (61) 22 11 03, email [info@allangray.com.na](mailto:info@allangray.com.na), or visit [www.allangray.na](http://www.allangray.na) for the latest version.

## CONTACT DETAILS

### **Administrator: Allan Gray Namibia Unit Trust Management Limited**

Postal and physical addresses of the head office and contact details of the Allan Gray Namibia Unit Trust Client Service Centre:

**Physical address:**

IAe||gams Building, Am Weinberg Estate, 13 Jan Jonker Road, Klein Windhoek, Windhoek, Namibia

**Postal address:**

PO Box 230, Windhoek, Namibia

**T:** +264 (0)61 22 11 03

**F:** +264 (0)61 22 11 61

**E:** [info@allangray.com.na](mailto:info@allangray.com.na)

**W:** [www.allangray.com.na](http://www.allangray.com.na)

## COMPLAINTS

If you are not satisfied with this investment or the services from Allan Gray, you can write to the compliance officer at the address above. Remember to include all supporting documents. Allan Gray will acknowledge the complaint in writing and will inform you of the contact details of the person who should be able to resolve it.

If you are not satisfied with the response from Allan Gray, you can write to the Namfisa Complaints Department at:

**Namfisa Complaints Department**

PO Box 21250

Windhoek

**Alternatively delivered to:** 8<sup>th</sup> floor, Sanlam Building, Windhoek

**T:** +264 61 290 5000

Allegams Building  
Am Weinberg Estate  
13 Jan Jonker Road  
Klein Windhoek  
Windhoek  
Namibia

P O Box 230  
Windhoek  
Namibia

**Client Service Centre**

T +264 (0)61 22 11 03  
F +264 (0)61 22 11 61  
E [info@allangray.com.na](mailto:info@allangray.com.na)  
[www.allangray.com.na](http://www.allangray.com.na)