



Out of the Ordinary®



Specialist Investments

INVESTEC SPECIALIST INVESTMENTS (QI) SCHEME

Investec Specialist Investment (RF) Limited ("ISI") (Registration Number: 2016/006152/06) is a registered as a manager of the Investec Specialist Investments (QI) Scheme by the Financial Services Board in terms of the Collective Investment Schemes Control Act 45 of 2002 ("CISCA").

Investor Application Form

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Document checklist

- ✓ Signed and completed application form for the investor
- ✓ A certified copy of South African bar coded ID, valid passport (if foreign national) or birth certificate (If minor)
- ✓ Proof of residential address, not older than three (3) months
- ✓ Proof of bank account details (e.g. cancelled cheque or bank statement)
- ✓ Proof of bank deposit / transfer into ISI bank account
- ✓ Proof of income tax reference number
- ✓ If a representative is acting on behalf of an investor, the representative must please submit:
 - Proof of authority (e.g. power of attorney)
 - A certified copy of South African bar coded ID, valid passport (if foreign national)
 - Proof of residential address, not older than three (3) months



CRITERIA FOR A SUCCESSFUL INVESTMENT APPLICATION PROCESS

- Please complete the relevant section and various annexures in full and return with your application form. This will depend on your entity type and tax status.
- Complete all sections of the form and initial any amendments made.
- The completed investor application form, proof of payment, Financial Intelligence Centre Act 38 of 2001 (“FICA”) documentation and confirmation of banking details should be emailed to ISI.TA@investec.co.za before 17h00 on the fifth (5) business day before month end in order to be considered for subscription to the fund the first day of the following month.

Investments into a Qualified Investor Hedge Fund may only be made by investors who satisfy the following criteria:

- Invest a minimum of ZAR1,000,000 (One Million Rand) per portfolio; or
- Has demonstrable knowledge and experience in financial or business matters that enables the investor to assess the risks and merits of an investment into a hedge fund portfolio; or
- Has appointed a Financial Services Provider (“FSP”) who has demonstrable knowledge and experience to advise the investor regarding the risks and merits of a hedge fund investment.

Should you have any further queries regarding this application, please contact our Investor Services Department on (+27)11 286 7640, alternatively, please contact the investment manager on ISI.TA@investec.co.za or consult your financial advisor.

SECTION A: INVESTOR DETAILS

1) INSTITUTIONAL INVESTORS AND LEGAL ENTITIES

Name of Entity: _____

Trading Name (if applicable): _____

Entity Type: Listed Company Unlisted Company Close Corporation Partnership Sole Proprietor

Trust Retirement Fund Other Please specify _____

Registration Number: _____ **Tax Identification Number:** _____

VAT Registration Number: _____

FOR INSTITUTIONAL INVESTORS ONLY

Entity classification: CIS Retirement Fund LT Insurer FoHF ST Insurer Other

SARB classification: CIS Retirement Fund LT Insurer LISP Investment Manager

Are you registered with the SARB Financial Surveillance Department? Yes No

South African incorporated entity: Yes No If “no” please provide detail of incorporation _____



If the entity is not incorporated in South Africa, please confirm which of the following will be applicable to you:

- Registered in the United States of America
- Registered for tax purposes in the United States of America
- Registered for tax purposes outside of South Africa

Registered Address _____

_____ Code: _____

Business Operating Address: If the same as above, please this box _____

_____ Code: _____

Postal Address: If the same as above, please check this box _____

_____ Code: _____

Telephone (H) _____ (W) _____ (M) _____

Email: _____

INDIVIDUAL ACTING ON BEHALF OF AN ENTITY

*For parents / guardians or persons with power of attorney

Title: _____ Surname: _____

First Name(s): _____

Nationality: _____

Identity or Passport Number: _____

Capacity: _____

Relationship of person/s acting on behalf of entity: _____



TRUSTS

Name of Trust: _____

Trust Registration Number: _____

INFORMATION PERTAINING TO AUTHORISED PERSONS, FOUNDERS, TRUSTEES, BENEFICIARIES AND SHAREHOLDER HOLDING 25% OR MORE OF THE VOTING RIGHTS AT A GENERAL MEETING

Natural persons:

The below needs to be completed by all authorised persons, founders of trusts, trustees beneficiaries and individuals holding 25% or more of the voting rights at a general meeting of a company. Please duplicate as required.

Title: _____ Surname: _____

First Name(s): _____

Telephone (H) _____ (W) _____ (M) _____

Email: _____ Income Tax Reference Number _____

Date of Birth: (ddmmyyy): _____ Nationality: _____

Identity or Passport Number (if foreign national): _____

Designation: _____

Physical Address: _____

_____ Code: _____

Postal Address: If the same as above, please check this box

_____ Code: _____

Title: _____ Surname: _____

First Name(s): _____

Telephone (H) _____ (W) _____ (M) _____

Email: _____ Income Tax Reference Number _____

Date of Birth: (ddmmyyy): _____ Nationality: _____

Identity or Passport Number (if foreign national): _____

Designation: _____

Physical Address: _____



_____ Code: _____

Postal Address: If the same as above, please check this box _____

_____ Code: _____

Title: _____ Surname: _____

First Name(s): _____

Telephone: (H) _____ (W) _____ (M) _____

Email: _____ Income Tax Reference Number _____

Date of Birth: (ddmmyyyy): _____ Nationality: _____

Identity or Passport Number (if foreign national): _____

Designation: _____

Physical Address: _____

_____ Code: _____

Postal Address: If the same as above, please check this box _____

_____ Code: _____

Legal entities:

The below needs to be completed by all legal entities including persons holding 25% or more of any voting rights at a general meeting of a company in their capacity as founders of trusts, trustees or beneficiaries and authorised representatives of the entity. Please duplicate as required.

Capacity: _____

Registered Name: _____

Registration Number: _____

Trading Name: _____

Registered Address: _____

_____ Code: _____

Tax Jurisdiction: _____ Tax Reference Number: _____

Capacity: _____

Registered Name: _____

Registration Number: _____



Trading Name: _____

Registered Address: _____

_____ Code: _____

Tax Jurisdiction: _____ Tax Reference Number: _____

Capacity: _____

Registered Name: _____

Registration Number: _____

Trading Name: _____

Registered Address: _____

_____ Code: _____

Tax Jurisdiction: _____ Tax Reference Number: _____

SECTION B: INVESTMENT OPTIONS

I/We hereby apply to invest in the Investec Specialist Investments (QI) Collective Investment Scheme in accordance with the provisions of the relevant Deed of each fund at the respective fund/s ruling price on the date of receipt of the monies by ISI, subject to receipt of a duly completed Application form, proof of deposit and all relevant supporting documentation.

Portfolio Selection and Allocation of Funds

Portfolio Name	Fee Class	Investment Management Fees	Initial investment Amount (ZAR)	Monthly Debit Order Investment (ZAR)	Annual debit order increase (%)	Income distribution	
						Re-invest	Pay-out
Investec Specialist Investments SA Credit Co-Investment (QI) Hedge Fund						<input type="checkbox"/>	<input type="checkbox"/>
Investec Specialist Investments Equity Structured Products (QI) Hedge Fund						<input type="checkbox"/>	<input type="checkbox"/>
Investec Specialist Investments International Equity Structured Products (QI) Hedge Fund						<input type="checkbox"/>	<input type="checkbox"/>

SECTION C: PAYMENT DETAILS

Source of contribution: Capital Savings Company profit Donation Inheritance Sale of Assets

Other/specify _____



Bank Account Details

Please complete the below and provide a cancelled cheque or a certified copy of a bank statement of no less than three months old with this application. No payments will be made to third parties, only to the bank account in the name of the investor.

Name of Account Holder: _____

Bank: _____ **Account Number:** _____

Branch: _____ **Branch code:** _____

Account Type: _____

Debit Order Authority

I/We the undersigned, authorise Investec Specialists Investments (RF) Limited to draw against my/our bank account the debit order investment amounts in terms of this application. I acknowledge that the transaction will take place on the 23rd day of the month for the investment at the ruling price on that day. All such withdrawals from my/our account will be treated as though they have been signed by me/us personally. I/We acknowledge that debit order investments are subject to a 14-day clearance period.

Authorised signature: _____ **Date:** _____

SECTION D: COMMUNICATION

Any transaction and quarterly statements will be sent by E-mail.
Where no E-mail is supplied then these will be mailed by post.



SECTION E: FINANCIAL ADVISOR DETAILS

Full Name and Surname: _____

FSP Name: _____

FSP License Number: _____ License Category: Cat I Cat II Cat IIA

Registration Number: _____

Address: _____

Code: _____

We declare, in respect of the relevant South African laws, regulations, industry guidelines that:

1. I/ We are licensed to render services in respect of this product and to act as the investor’s appointed Financial Adviser in terms of the Financial Advisory and Intermediary Services Act No. 37 of 2002.
2. I/We have made the necessary disclosures to the investor in terms of the Collective Investment Schemes Control Act 45 of 2002 and the Financial Advisory and Intermediary Services Act No. 37 of 2002 and subordinate legislation.
3. I/ We have read the application form and the terms and conditions of this investment and have explained them to the investor. To the extent they apply to me, I/ we agree to be bound by the contents of this application form.
4. I/ We have provided the client with the necessary Key Investor Information Documents and will forward any and all client documents to the client as soon as I/we receive them.
5. I/ We have explained all fees that relate to this investment to the investor and I/we acknowledge that the investor may withdraw his/her authority for payment to me/us in writing to the fund.

Signature of Financial Advisor: _____

Name of Signatory: _____

Place: _____ Date: _____

SECTION F: FINANCIAL ADVICE FEES

- I acknowledge that I did not receive financial advice from either ISI or a financial advisor; OR
- I hereby confirm that the Financial Advisor whose details are recorded in Section D above, is my appointed Financial Advisor and agree to payment of the following fees:

Initial Advice Fee: ____, __ % (negotiable to a maximum of 3% exclusive of VAT and applied to each contribution).

Ongoing Advice Fee: ____, __ % (per annum of the market value of the portfolio paid to the Financial Adviser monthly in arrears, negotiable to a maximum of 1% p.a. exclusive of VAT). I/We may instruct ISI to cease paying the ongoing adviser fee at any time. This annual advice fee is not part of the normal annual management fee charged by the relevant Fund/s.

Signature of Investor or Authorised Representative: _____



SECTION G: DECLARATION BY INVESTOR

I/We understand and agree to be bound by the provisions of this application form. I/We understand and/or confirm that:

- The information contained herein is correct, and that if this application form is signed in a representative capacity, I /we have the necessary authority to do so and that this transaction is within my/our powers.
- I/We confirm that all funds invested with ISI are not the proceeds of unlawful activities and that I have not contravened any anti-money laundering and tax legislation. I/We have complied with and will continue to comply with all relevant legislation, including but not limited to FICA and the Income Tax Act.
- I/We am/are acting for my/our own account and that I/we have made my/our decisions to enter into the investment and as to whether the investment is appropriate for me/us independently, based upon my/our own judgement, and upon advice from such advisors as I/we may deem necessary.
- I/We declare that I am/we are not relying on any communication from ISI, whether written, oral or implied as investment advice or as a recommendation to enter into the investment.
- I/We confirm that my appointed financial advisor will have access to my investment details
- I/We understand that information and explanations relating to the terms of an investment shall not be considered investment advice or a recommendation to enter into the investment.
- ISI will only be able to process investments on receipt of funds into the appropriate bank account, proof of deposit, and all relevant FICA documentation.
- I/We confirm that ISI may accept instructions from my financial advisor or any authorised third party who has been appointed and authorised by me in writing.
- I/ We will notify ISI immediately if my/our tax residency or FATCA or equivalent classification changes in the future.
- I/We accept full responsibility for informing ISI of any changes in current identification information provided (e.g. change of address, surname change, contact particulars, banking details etc.).
- ISI will not be responsible for any failure, malfunction or delay of any networks, electronic or mechanical device or any other form of communication used in the submission, acceptance and processing of applications and/or transactions. ISI will not be liable to make good or compensate any investor or third party for any damages, losses, claims or expenses resulting there from.
- I/we have read, understand and acknowledge:
 - the requirements to qualify as a Qualified Investor (as outlined on page 2 of the Application Form)
 - the Hedge Fund Risk Disclosure (as outlined in Section H)
 - the Terms and Conditions (as outlined in Section I)
 - the Fees and Fund information and that I have received a copy of and reviewed the portfolios Minimum Disclosure Document, which contains all minimum disclosure information.

As a new or existing Investec client you may choose to authorise Investec to share your existing personal and financial details that Investec has on file with any entity within the Investec Group (Investec Ltd, Investec plc and any of their subsidiaries) to:

- expedite account opening
- facilitate the maintenance of or opening of further accounts you have requested with other entities in the Investec Group
- assist the Investec Group to provide information you request regarding products and services
- manage the additional benefits of your account
- make decisions regarding the extension of credit you have requested



- keep your usual contact at Investec informed of the progress of your application for new accounts elsewhere in the Investec Group and vice versa
- have a better understanding of your circumstances and needs to provide and improve the products and services Investec offers you

By signing below you acknowledge and consent that Investec may share your personal and financial information across the Investec Group for the above purposes.

This personal information will be held securely and only be used for the relevant purposes which are to enter into this contract, maintain your account and provide services and information to you in future.

Failure to provide the consent may result in ISI declining this application due to its reliance on the abovementioned group parties for certain client information.

The signatory(ies) to this form hereby:

1. Warrant that all information provided to ISI in this application form is current, true, accurate and complete in every aspect and agree to notify ISI of any changes to information provided whether in terms of this application form or otherwise.
2. Confirm that we agree to Investec Limited's data protection statement at www.investec.co.za/legal.html

Signature of investor(s) or authorised signatory: _____

Name of Signatory: _____

Capacity: _____

Date (ddmmyy): _____

Singed at: _____

OR where assisted by legal guardian (to be completed if accountholder is a minor or under legal disability)

Signature of investor(s) or authorised signatory: _____

Name of Signatory: _____

Capacity: _____

Date (ddmmyy): _____



SECTION H: DEFINITIONS

1. US person

The term 'US person' means a United States (US) citizen or resident individual, a partnership or corporation organised in the US or under the laws of the US or any State thereof, a trust if:

- I. a court within the US would have authority under applicable law to render orders or judgments concerning substantially all issues regarding administration of the trust
- II. one or more US persons have the authority to control all substantial decisions of the trust, or an estate of a decedent that is a citizen or resident of the US. This sub-paragraph must be interpreted according to the US Internal Revenue Code.

2. Tax regulations

Tax regulations refer to regulations created to enable automatic exchange of information. It includes the US Foreign Account Tax Compliance Act (FATCA), the agreement entered into between South Africa and the United States to improve international tax compliance, and the OECD Common Reporting Standard for Automatic Exchange of Financial Account Information.

For more information, please refer to the SARS website:

- [http://www.sars.gov.za/Legal/International-Treaties-Agreements/Pages/Exchange-of-Information-Agreements-\(Bilateral\).aspx](http://www.sars.gov.za/Legal/International-Treaties-Agreements/Pages/Exchange-of-Information-Agreements-(Bilateral).aspx)
- <http://www.sars.gov.za/ClientSegments/Businesses/Mod3rdParty/Pages/Automatic-Exchange-of-Information.aspx>

Tax residence

Definitions of residence for tax purposes vary considerably from country to country. For individuals, physical presence in a country is the main factor. Some countries also consider a variety of other factors, such as the ownership of a home or availability of accommodation, citizenship, family and financial interests.

For entities, some countries determine the residence of an entity based on its place of incorporation. Other countries determine the residence of an entity by reference to its place of management. Some countries use both a place-of-incorporation test and a place-of-management test.

Tax obligation

This term typically relates to the amount of tax that an individual or entity owes to a revenue or treasury authority. Typically, taxes are applied to various forms of income, including interest and dividends. Tax obligations may also include the requirement to:

- Register as a taxpayer
<http://www.sars.gov.za/ClientSegments/Individuals/How-Register-Tax/Pages/Register-for-tax.aspx>
- Submit tax returns or disclosures
<http://www.sars.gov.za/ClientSegments/Individuals/How-Send-Return/Pages/Sending-SARS-myreturn.aspx>
- Make payments to a revenue or treasury authority
<http://www.sars.gov.za/ClientSegments/Individuals/How-Pay/Pages/Payment.aspx>



SECTION I: HEDGE FUND RISK DISCLOSURE

In terms of Board Notice 571 of 2008 published by the Registrar of Financial Services Providers on 14 July 2008, all hedge fund managers are required to disclose the risks and characteristics of hedge funds to their clients.

The risks identified in this section are not intended to be exhaustive and applicable in all circumstances and, where appropriate, investors should consult their own legal, tax and financial advisers to identify all the risks inherent in investment in the portfolio.

1. Investment strategies may be inherently risky

Hedge fund portfolios may include leverage, short-selling and short term investments. In addition, hedge fund portfolios often invest in unlisted instruments, low-grade debt, foreign currency and other exotic instruments. All of these expose investors to additional risk. An investment in hedge fund portfolios may not be appropriate for all investors and is only suitable for investors who fully understand and are capable of bearing the risk of an investment in the portfolio. However, not all hedge fund managers employ any or all of these strategies and it is recommended that investors consult their advisers in order to determine which strategies are being employed by the relevant manager and which consequent risks arise.

2. Leverage usually means higher volatility

Hedge fund managers may use leverage. This means that the hedge fund manager borrows additional funds, or trades on margin, in order to amplify his investment decisions. This means that the volatility of the hedge fund portfolio can be many times that of the underlying investments. . Because of the leveraged nature of certain of the investments, a relatively small movement in the market price of traded instruments may result in a disproportionately large profit or loss. The degree to which leverage may be employed in the hedge fund portfolio will be limited by the terms of this mandate. The limits laid down by the mandate should be carefully reviewed in making an investment decision.

3. Short-selling can lead to significant losses

The portfolio may borrow securities in order to sell them short. Selling securities short creates the risk of losing an amount greater than the amount invested. Where the price of the underlying instrument rises, the client can be exposed to significant losses, given that the manager is forced to buy securities (to deliver to the purchaser under the short sale) at high prices. A short sale may result in a sudden and substantial loss. In addition, the supply of securities which can be borrowed fluctuates from time to time. The portfolio may be subject to losses if a security lender demands return of the lent securities and an alternative lending source cannot be found or if the portfolio is otherwise unable to borrow securities which are necessary to hedge its positions.

4. Unlisted Instruments Might Be Valued Incorrectly

Hedge fund managers may invest in unlisted instruments where a market value is not determined by willing buyers and sellers. The hedge fund manager may have to estimate the value of such instruments, and these estimates may be inaccurate, leading to an incorrect impression of the portfolio's value. Objective valuations are performed for all instruments and the manager utilises the services of a competent administrator.

5. Fixed income instruments may be low-grade

Hedge fund managers may invest in low-grade bonds and other fixed interest investments. These investments are more likely to suffer from defaults on interest or capital. They are also more likely to have volatile valuations when the market changes its view on credit risk. The mandate should also limit the extent (i.e. lowest acceptable rating and maximum percentage exposure) to which low grade debt can be acquired by the client. Investors should review the mandate to gain an appreciation of the maximum possible exposure applicable to the relevant mandate.

6. Exchange rates could turn against the fund

South African securities involve certain factors not typically associated with investing in more established securities markets including risks, without limitation, relating to currency exchange matters, including fluctuations in the rate of exchange between the United States Dollar or other currencies (as the case may be) and the Rand (and costs associated with conversion of



investment principal and income from one currency into another), potential exchange control regulations and potential restrictions on foreign investment and repatriation of capital, and the possible imposition of withholding taxes on income received from or gains with respect to any investment. To the extent any investment is denominated in a currency other than South African Rand, it should be remembered that changes in rates of exchange between currencies may cause the value of any Investment to diminish as well as increase.

7. Complex instruments and derivatives may be utilised

The hedge fund manager may invest in complex instruments or derivatives, such as but not limited to futures, forwards, swaps, options and contracts for difference. The portfolio may use various derivative instruments primarily for both investment and hedging purposes. Many derivative instruments may also be challenging for the manager to administer and account for properly. All instruments are objectively and independently valued. "Over-the-counter" derivative instruments could increase counterparty risk.

Use of derivative instruments presents various risks which include the following:

- i. **Tracking:** When used for hedging purposes, an imperfect or variable degree of correlation between price movements of the derivative instrument and the underlying investment sought to be hedged may prevent the portfolio from achieving the intended hedging effect or expose the portfolio to the risk of loss.
- ii. **Liquidity:** derivative instruments, especially when traded in large amounts, may not be liquid in all circumstances, so that in volatile markets the portfolio may not be able to close out a position without incurring a loss. In addition, daily limits on price fluctuations and speculative position limits on exchanges on which the portfolio may conduct its transactions in derivative instruments may prevent prompt liquidation of positions, subjecting the portfolio to the potential of greater losses.
- iii. **Leverage** - Trading in derivative instruments can result in large amounts of leverage. Thus, the leverage offered by trading in derivative instruments will magnify the gains and losses experienced by the portfolio and could cause the portfolio's net asset value to be subject to wider fluctuations than would be the case if the portfolio did not use the leverage feature in derivative instruments.
- iv. **Over-the-Counter Trading** - derivative instruments that may be purchased or sold by the portfolio may include instruments not traded on an exchange. The risk of non-performance by the obligor on such an instrument may be greater and the ease with which the portfolio can dispose of or enter into closing transactions with respect to such an instrument may be less than in the case of an exchange traded instrument. In addition, significant disparities may exist between the "bid" and "asked" prices for derivative instruments that are not traded on an exchange. Derivative instruments not traded on an exchange may not be subject to the same level of regulation and could result in an increase in counterparty risk.

8. The client may be caught in a liquidity squeeze

Given their often short term nature, hedge fund managers need to be able to disinvest from or close certain positions quickly and efficiently. But market liquidity is not always stable, and if liquidity were to decrease suddenly, the hedge fund manager might be unable to disinvest from or close such positions rapidly or at a good price, which may lead to losses.

9. Counterparty Risk

The ability of any counterparty to meet its obligations in terms of its contractual arrangements with the investment manager and the investment manager's ability to enforce any claim that it may have in respect of any defaulting counterparty will be subject to matters relating to, inter alia, solvency of the defaulting counterparty, the nature of the contractual arrangements between the parties, whether the defaulting counterparty has tendered any security for its obligations to the investment manager and practical and substantive risks associated with the South African judicial system.

10. Failure or default of the prime broker or custodian

The portfolio may from time to time appoint a prime broker. Prime brokers usually require collateral for leveraging and short selling facilities provided. This collateral is typically provided using assets of the relevant client, and consequently such collateral might be at risk if the prime broker were to default in some way. In the event of the insolvency or default of the prime broker, the assets of the portfolio that are held as collateral against money owed to the prime broker, are completely exposed to the prime broker's creditors and may be at risk. In such instances, any action by the prime broker's creditors may lead to the closing



out of positions without the consent of the investment manager and at a loss. A similar situation could occur with the custodian of the client's funds.

11. Regulations could change

Legal, tax and regulatory changes could occur during the term of the investor's investment in a hedge fund portfolio that may adversely affect it. The effect of any future legal, tax and regulatory change or any future court decision on a hedge fund portfolio could be substantial and adverse. The current South African regulatory regime requires that the investment manager and any other intermediaries be licensed by the FSB. Furthermore, the Financial Services Board has certain powers if the investment manager contravenes any applicable law.

12. Past performance might be theoretical

Hedge fund portfolios are on occasion marketed using theoretical or paper track records. Past performance of the investment manager is not necessarily indicative of future results. Past performance is seldom a reliable indicator of future performance. Theoretical past performance is often an even less reliable indicator, and investors should place a lower significance on these.

13. The manager may be conflicted

The hedge fund manager might be managing other hedge fund portfolios or other traditional investment funds. The investor should ensure that sufficient controls are in place to manage any conflicts of interest between the different funds.

14. Hedge fund structures are often complex

As mentioned above, hedge funds structures are not fully regulated and they are often housed in legal structures not originally meant for pooled funds, for example partnerships and companies. Given the many risks listed above, investors need to ensure that any structure is robust enough to contain any unlimited losses.

15. Manager Accountability May Be Vague

Hedge fund portfolios are often managed by specific individuals will ensure that sufficient controls are in place for the times when the manager is being covered for by colleagues. In addition, the portfolio, its manager, investment manager and/or advisers may rely on the trading and/or investing expertise and experience of third-party managers or advisers, the identity of which may not be disclosed to investors. This constitutes an additional risk for investors, which they must take into account.

16. Substantial Fees and Expenses

The expenses, to which the portfolio will be subject, excluding performance fees payable due to appreciation of the portfolio's assets, could be substantial. Hedge fund structure fees may be significantly higher than the fees charged on traditional investment funds. Investments should be made only where the potential returns justify the higher fees.

17. Fees might be performance-Based

Hedge fund portfolios are usually performance based. This means that the managers typically get a higher fee when their portfolios outperform specified performance targets, which might lead to riskier positions being taken. Investors need to ensure that performance fees allow for a fair sharing of both the good and bad. The existence of the investment manager's performance fee or performance participation, as the case may be, may create an incentive to make investments that are more speculative than would be the case in the absence of such a performance-based payment.

18. Trading Costs Might be High

The portfolio may engage in a high rate of trading activity resulting in correspondingly high costs being borne by the portfolio. Given the often short term nature of investment positions, hedge fund portfolios are often traded more aggressively. This implies more stock-broking commission and charges being paid from the portfolio, which is ultimately for the client's account. Investments should therefore only be made where the potential returns make up for the costs.



19. Transparency Might Be Low

A hedge fund manager's performance is often the result of unique proprietary strategies or contrarian investment positions. For obvious reasons, managers will want to keep these confidential. Managers are therefore less likely to disclose trades to their investors, and holdings might be disclosed only in part or with a significant delay.

20. Portfolio Valuation

Valuations of investments may be based on unaudited financial records and in some cases, these may only be an estimate of the valuation of such investments. The portfolio may hold investments, which generally are not actively traded. Consequently, it may be relatively difficult for the investment manager to obtain reliable information on the investments for valuation purposes and to dispose of investments at the valuation level. Inherent uncertainties as to the valuation of investments held by the portfolio could have an adverse effect on the value of investments.

21. Dealing and Reporting Might Be Infrequent

The hedge fund manager's performance can be disturbed by irregular cash flows into or out of the hedge fund structure. For this reason, the hedge fund managers may limit the frequency of investments and withdrawals. Similarly, the hedge fund manager may choose to report infrequently on performance and other statistics. Investors should ascertain, prior to investing, the nature and frequency of reporting.

22. Effect of Substantial Withdrawals

The frequency of withdrawals might be limited to monthly or quarterly dates. In the event that there are substantial withdrawals of contributions by investors on any date, the investment manager may find it difficult to adjust its investment strategies to the suddenly reduced amounts of assets under management. Under such circumstances, in order to provide sufficient funds to pay the relevant withdrawals, the investment manager might advise the liquidation of positions at an inappropriate time or on unfavourable terms. In addition, the manager may impose notice periods or lock-ins in order to ensure that he has the necessary time for his investment positions to deliver their desired results.

23. Right to Suspend Trading

Each securities exchange typically has the right to suspend or limit trading in all securities that it lists. Such a suspension would render it impossible for the portfolio or an underlying investment to liquidate positions and accordingly, could expose the portfolio to losses.

24. Unexpected Volatility or Illiquidity

Unexpected volatility or illiquidity in the markets in which the portfolio directly or indirectly holds positions could impair the portfolio's ability to carry out its business and could cause the portfolio to incur losses by making it difficult to acquire or dispose of securities at the prices quoted on the various exchanges or at normal bid/offer spreads quoted off exchange. If the market moves against the portfolio's position, the portfolio may, in a relatively short time, sustain more than a total loss of the portfolios placed by way of margin or deposit. The portfolio may be required to deposit a substantial additional sum, at short notice, to maintain its margin balances. If the portfolio does not maintain its margin balances its position may be closed out at a loss and the portfolio will be liable for any resulting deficit.

**SECTION J: TERMS AND CONDITIONS**

1. This application form together with the Main Deed and Supplemental Deed will form the legal agreement between the investor and ISI.
2. ISI provides access to many portfolios offered by the market. Should you require any financial planning assistance, please consult your financial adviser as ISI may not provide financial advice in respect of any investment.
3. Funds are valued at closing prices as at the last day of the month.
4. Participatory interests are calculated on a NAV basis by determining the total market value of all assets in the fund, including any income accruals, less any permissible deductions in terms of the Act, divided by the number of units in issue. Participatory interests on investor statements are thus net of all fees.
5. Participatory interests will be purchased and repurchased by the manager at the NAV calculated in accordance with the requirements of CISCA and the relevant deeds.
6. The manager may borrow up to 10% of the value of the fund where insufficient liquidity exists in a fund, or where the assets cannot be realised to repurchase or cancel participatory units.
7. ISI may, at its discretion, close portfolios to new investors and existing investors to enable the portfolios to be managed in accordance with their mandates.
8. ISI reserves the right to terminate this contract by giving a calendar months' notice to the investor. Participatory interest shall be repurchased on the first business day of the following month after notification of termination at the ruling price of the last NAV. Any proceeds from the termination shall be paid to the investor recorded in this application form.
9. No cash payments will be accepted and a proof of payment is to accompany all EFT payments.
10. Commission and incentives may be paid and if so, would be included in the overall costs.
11. ISI will not be liable for any damages or losses of whatsoever nature arising out of ISI's failure to action this instruction due to occurrences beyond the control of ISI, nor will ISI be liable for any loss incurred due to incorrect information being supplied by the investor or his/her financial adviser.
12. Copies of all FICA verification documentation requested in this application form and a proof of payment must accompany this application form. ISI will not be obliged to process this application form until it has received the verification documentation and ISI will not be liable for any loss or damage of whatsoever nature arising from the inability of ISI to process this application form due to the fact that the requirements of the FICA have not been complied with.
13. Quarterly reports are available for download from the ISI Website. ISI will email monthly statements and contract notes on execution of transactions. Tax certificates are generated and distributed annually.

**SECTION K: MANDATORY DISCLOSURES**

Investec Specialist Investments (RF) Ltd (Registration Number: 2016/006142/06) is a registered and approved Manager in a QI Hedge Fund Collective Investment Scheme. Collective investment schemes are medium- to long-term investments. Investors should be aware that investing in a financial product entails a level of risk which depends on the nature of investment. The merits of any investment should be considered together with the specific risk profile and investment objectives. Past performance is not necessarily an indication of future performance. The value of investments may go down as well as up and is therefore not guaranteed. Fluctuations or movements in exchange rates may cause the value of underlying investments to go up or down. The manager does not provide any guarantee in respect of the capital or the return of the portfolio.

A schedule of fees and charges and maximum commissions is available from the Manager on request. Commission and incentives may be paid, and if so, are included in the overall costs. Collective investments are traded at ruling prices and can engage in borrowing and scrip lending. Performance is calculated for the portfolio and the individual investor performance may differ as a result of initial fees, actual investment date, date of reinvestment and dividend withholding tax. The Manager has a right to close the portfolio to new investors in order to manage it more efficiently in accordance with its mandate. Excessive withdrawals from the fund may place the fund under liquidity pressure and in such circumstances, a process of ring-fencing of withdrawal instructions and managed pay-outs over time may be followed.

Prices are published daily on our website and local media. Additional information, including. Key Investor Information Documents, Minimum Disclosure Document, as well as other information relating to the portfolio is available, free of charge, on request from the manager.

The document should not be seen as an offer to purchase any specific product and is not to be construed as advice or guidance in any form whatsoever. Investors are encouraged to obtain independent professional advice before investing in a product. Investec accepts no liability whatsoever for any loss or damage of any kind arising out of the use of all or any part of this communication. Investec does not make representation that the information provided is appropriate for use in all jurisdictions or by all investors or other potential investors. Parties are therefore responsible for compliance with applicable local laws and regulations.

The portfolio makes no representation, gives no warranty or undertaking, express or implied, and takes no responsibility for the tax treatment of the investors. Investors should consult their professional advisers with regard to their tax positions.

The Conflicts of Interest Management Policy and the Complaints Resolution Policy may be accessed on www.investec.co.za or may be requested from the Compliance Department. Investec Specialist Investments may not request or induce in any manner a client to waive any right or benefit conferred on the client by or in terms of any provision of the FAIS General Code of Conduct, or recognise, accept or act on any such waiver by the client.

Nedbank Limited is the appointed custodian of the Investec Specialist Investments (QI) Scheme, duly appointed in relation to the Scheme in terms of Section 68 of the Act.

Complaints

ISI takes your concerns and queries very seriously. If you are unsatisfied with the investment or the services received from ISI, please contact our compliance officer.

Contact details:

The Compliance Officer, ISI (RF) Limited
Post: PO Box 785700, Sandton, 2196
Tel: 011 286 7323
Email: jsicomplaints@investec.co.za

If any investor is not satisfied with the response from ISI, he/ she has the right to address his/ her complaint in writing to the Ombud for Financial Services Providers at the address below. The Ombud is legally empowered to investigate and adjudicate complaints in a procedurally fair, economical and expeditious manner.

FAIS Ombud contact details:



FAIS Ombudsman
P.O. Box 74571
Lynwood Ridge
0040

Tel: +27 (0) 21 470 9080
Fax: +27 (0) 21 348 3447
E-mail: info@faisombud.co.za
Website: www.faisombud.co.za

Sussex Office Park
Ground Floor, Block B
473 Lynwood Road

SECTION K: INVESTEC SPECIALIST INVESTMENTS DETAILS

Investec Specialist Investments (RF) Ltd
100 Grayston Drive
Sandown Sandton
2196

PO Box 785700
Sandton 2146
South Africa

Tel: 011 286 7000
www.investec.com
E-mail: isi@investec.co.za



Annexure A - FICA CHECLIST

The Financial Intelligence Centre Act, 38 of 2011 (“FICA”) came into effect on 30 June 2003 and requires Investec Specialist Investments (RF) Ltd to request mandatory documentation to identify the client and to verify such contained herein before entering into a financial transaction with the client.

Investec Specialist Investments (RF) Ltd will only finalise processing the application form as soon as all relevant documentation, including all required FICA documents, are received.

A] INDIVIDUAL

Natural Persons

- Certified copy of ID (South African residents);
- Certified copy of a valid passport (foreign nationals)
- Certified copy of proof of physical address (not older than three months);
- Certified copy of proof of banking details (on bank letterhead, no internet statements accepted);
- Certified copy of proof of tax number on SARS letterhead.

Investment in the name of a minor:

- Certified copy of ID of parent or legal guardian
- Certified copy of proof of physical address for parent or legal guardian (not older than three months);
- Certified copy of the unabridged Birth certificate of the minor

The investment is in a deceased estate:

- Death certificate
- Letter of Executorship/Letter of Authority
- Certified copy of ID for persons acting on behalf of the estate
- Certified copy of proof of physical address for each person acting on behalf of the estate (not older than three months);
- Certified copy of the unabridged Birth certificate of the minor
- Certified copy of proof of banking details for the estate (on bank letterhead, no internet statements accepted);

The investment in the name of an individual with legal incapacity:

- Power of attorney, mandate, resolution or court order duly executed by authorised signatories
- Certified copy of ID for persons acting on behalf of another
- Certified copy of proof of physical address for person acting on behalf of another (not older than three months);

B] TRUST

- Certified copy of the Trust Deed;
- Certified copy of the Master of the High Court’s Letter of Authority;
- Certified relevant resolutions authorising persons to act as authorised persons

IDENTITY DOCUMENTS:

- Certified copy of ID for each authorised representative;
- Certified copy of ID of each Trustee;
- Certified copy of ID of each Beneficiary named in the Trust Deed;
- Certified copy of ID of Founder of the Trust (if deceased a Death certificate is required).

PHYSICAL ADDRESS:

- Certified copy of proof of physical address for each authorised representative;
- Certified copy of proof of physical address for each trustee;
- Certified copy of proof of physical address of each Beneficiary named in the Trust Deed;
- Certified copy of proof of physical address of Founder of the Trust (unless if deceased).

TAX:

- Certified copy of proof of the Trust’s income tax registration number (SARS letterhead).

BANK DETAILS:

- Certified copy of proof of Trust’s bank details (less than three months old)



C] COMPANY

REGULATORY DOCUMENTS:

- Certified copy of the certificate of incorporation (CM1/COR14.1) containing Registrars stamp;
- Certified copy of the name change (CM9/COR15.2);
- Certified copy of list of directors (CM29/COR39);
- Certified copy of registered address (CM22/COR21).

IDENTITY DOCUMENTS:

- Certified copies of the ID documents of each of the directors;
- Certified copy of ID of the authorised signatories and representatives
- Certified copy of the ID of all persons holding more than 25% or more of the voting rights at a general meeting.

RESOLUTION:

- Certified resolution authorizing a signatory to act on behalf of the company.

BANK DETAILS:

- Certified copy of proof of company's banking details (less than 3 months old).

PROOF OF ADDRESS:

- Certified copy of a utility bill in the name of the company and including the physical address detail (less than 3 months old).

TAX:

- Certified copy of proof of tax number (SARS letterhead).

D] CLOSE CORPORATION

- Certified copy of the Founding Statement and Certificate of Incorporation (CK1) and the Amended Founding Statement (CK2) if applicable, signed by authorized representatives and containing the stamp of the Registrar of Close Corporations
- Certified copy of ID documents in respect of each member and authorised representative.
- Certified copy of a utility bill in the name of the company and including the physical address detail (less than 3 months old).
- Certified copy of proof of authority or members resolution to act for the close corporation
- Certified copy of proof of tax number (SARS letterhead).
- Certified copy of proof of company's banking details (less than 3 months old).

E] PARTNERSHIPS

- Certified copies of the partnership agreements
- Certified copy of ID of all partners, authorised representatives or persons executing executive control
- Certified copy of a utility bill in the name of the company and including the physical address detail (less than 3 months old).
- Certified copy of proof of authority to act on behalf of a partnership
- Certified copy of proof of a partnerships banking details (less than 3 months old)