

Tax Free Disinvestment Form

RECM Collective Investment Scheme - Unit Trust Funds

Important

Please ensure that you have read and understood the Minimum Disclosure Document applicable to the fund(s) you are invested in. The Minimum Disclosure Document for each fund is available free of charge on the website www.recm.co.za.

Tax Free Investment Notes:

- This is a tax free investment managed in accordance with Section 12T(8) of the Income Tax Act.
- The tax free investment is only open to individuals and not legal entities.
- Total contributions are limited to R33 000 per tax year (R500 000 over your lifetime) across all tax free investments, including monthly debit orders.
- Should your contributions exceed R33 000 per tax year, SARS will tax the contribution amounts over the limit at a flat rate of 40%.
- You can withdraw from your tax-free investment at any time.
- Withdrawn amounts that are reinvested will be treated as additional contributions and could therefore increase your annual contribution above the threshold of R33 000, as well as increase your lifetime contribution above the threshold of R500 000.
- Income distributions will be reinvested, but will not form part of your annual or lifetime contributions.
- You must monitor your annual and lifetime contributions made to your tax free investments across different providers, so as not to exceed the prescribed limits.

Instructions:

- Annexure A forms part of this application form.
- Ensure that all information provided is accurate.
- Indicate all options selected by means of a cross (X).
- Any amendments made to the form should be initialled.
- All sections must be completed in full using BLOCK LETTERS.
- The daily cut-off for receipt of instructions is 14h00 for all funds except for the Money Market Fund which is 11h00.
- **Please submit your completed documents to:**
Email: transactions@recm.co.za
Fax: +27 21 674 1088
Post: PO Box 45040, Claremont, 7735
- Should you have any queries, please contact us at +27 21 657 3440 or email us at info@recm.co.za.

A. INVESTOR DETAILS

Investor number _____ Account name _____

B. DISINVESTMENT DETAILS

Refer to Annexure A for all terms and details applicable to the funds.

Please indicate the amount, number of units or percentage you wish to disinvest below:

Fund Name	Amount (ZAR)	OR	Number of Units	OR	Percentage
RECM Money Market Fund A					
RECM Global Flexible Fund F					
RECM Balanced Fund A					
Total					

- Please note that debit orders on investment accounts will automatically be cancelled following a 100% withdrawal or closure of that particular investment.
- Please note that any Income Distributions declared and due to an investor will automatically be paid out following a 100% withdrawal or closure of an investment.

C. CHANGE IN BANK DETAILS (IF APPLICABLE)

If your bank account details have changed since the initial application, please complete the below banking account details and attach proof thereof, as advised below. Other than the bank account on file, RECM will only make payment to the designated bank account below. Please note that we do not pay to third party bank accounts.

Bank name _____

Account number _____

Branch name _____ Branch code _____

Type of account Current Transmission Savings

Name of account holder _____

Please attach the following:

- Proof of bank details (eg. cancelled cheque or a bank statement bearing the logo of the bank).

D. INVESTOR AUTHORISATION/DECLARATION

1. I declare that I have read and understood the Minimum Disclosure Document applicable to the fund(s) I am invested in.
2. I warrant that the information contained herein is true and correct, and that, where this application is signed in a representative capacity, I have the necessary authority to do so and that this transaction is within my powers.
3. I understand that this application, read together with the trust deed in respect of the RECM Collective Investment Scheme, and the applicable supplemental trust deed in respect of the fund(s), constitutes the entire agreement between RECM Collective Investments (Pty) Ltd and myself.
4. I hereby consent to RECM Collective Investments (Pty) Ltd making enquiries of whatsoever nature for the purpose of verifying the information disclosed and consent to RECM Collective Investments (Pty) Ltd obtaining any other information and documents, including original certified copies, from any source whatsoever to enable it to process this application.
5. I warrant and declare that I have read, understood and agree with the terms, conditions and disclosures contained in this application form.
6. I warrant that in respect of this investment, I have not contravened any anti-money laundering legislation and regulations applicable to me.
7. I hereby waive any claim, of whatsoever nature, that I may have against RECM now or in the future relating to or arising from the investments, save insofar as it arises from any dishonesty, theft or gross negligence of the company’s employees, agents or representatives.
8. I hereby authorise the administrator of the RECM Collective Investment Schemes to act upon instructions by fax with regard to my investment without liability in respect of any transfer, payment or other act done in accordance with such instructions and notwithstanding the absence of proof that the same was signed or sent by me.
9. I understand that withdrawn amounts that are reinvested will be treated as additional contributions and could therefore increase my annual contribution above the threshold of R33,000, as well as increase my lifetime contribution above the threshold of R500,000.

Name of first signatory _____

Signature _____ Date (DD/MM/YYYY) _____

Name of second signatory _____

Signature _____ Date (DD/MM/YYYY) _____

E. COMMUNICATION WITH RECM

Please submit your completed documents to:

Email: transactions@recm.co.za
Fax: +27 21 674 1088
Post: RECM Client Service
PO Box 45040
Claremont, 7735

For All Complaints:

Email: complaints@recm.co.za
Tel: +27 21 657 3440
Fax: +27 21 674 1085

For All Queries:

Email: info@recm.co.za
Tel: +27 21 657 3440
Fax: +27 21 674 1085

F. TERMS AND CONDITIONS APPLICABLE TO LOCAL FUNDS

Please also refer to the terms and details applicable to the specific fund(s) selected. These can be found in Annexure A of this form.

1. Collective Investment Schemes in Securities (Unit trusts) are generally medium to long-term investments. The value of participatory interests (units) may go down as well as up and past performance is not necessarily a guide to future performance. There are no guarantees with regards to a return of capital or portfolio returns. Unit trusts are traded at ruling prices and can engage in borrowing and scrip lending. A schedule of fees and charges and maximum commissions is available on request from the management company, RECM Collective Investments (Pty) Ltd (RECM), Reg. No. 2004/027540/07. Commission and incentives may be paid and if so, would be included in the overall costs. Forward pricing is used. Funds are valued daily at 15h00 with the exception of the RECM Money Market Fund which is valued before 18h00. Fluctuations or movements in exchange rates may cause the value of underlying international investments to go up or down. Different classes of units apply to these portfolios and are subject to different fees and charges. Unit trust prices are calculated on a net asset value basis, defined as the total market value of all assets in the unit portfolio including any income accruals and less any permissible deductions from the portfolio divided by the number of units in issue. Participatory interests in the RECM Money Market fund are priced at a constant value. These portfolios may be closed.
2. Purchasing of units will include no initial charges. All annual charges are levied monthly on the market value of the unit portfolio. Other charges typical to SA collective investment schemes are also likely to be included in the net asset values of this collective investment scheme. These are typically brokerage, securities transfer tax, auditors' fees, bank charges, custodian fees and trustee fees. We will strive to keep these costs as low as possible. Please see Annexure A.
3. If you want to redeem your investment, units will be repurchased by the Management Company at the ruling price calculated in accordance with the requirements of the Collective Investment Schemes Control Act and the Trust Deed and paid to the unitholder only. An "Exit Charge" and a "Low Balance Charge" may be charged to investors in accordance with the provisions of the Trust Deed for Money Market Fund redemptions.
4. All income will be capitalised unless we are otherwise advised on this form.
5. The funds listed above are managed by Regarding Capital Management (Pty) Ltd, an asset management company appointed by RECM Collective Investments (Pty) Ltd. Both entities are subsidiaries of RECM Holdings (Pty) Ltd.
6. In the event that the investor does not make use of the services of a financial advisor, the investor confirms that RECM did not assist with investment advice. The investor acknowledges and accepts that RECM will endeavour to provide the investor with as much information as possible regarding its products and services, and that such information does not constitute investment advice. The investor further acknowledges and accepts that RECM has no responsibility to provide the investor with information regarding changes to legislation. The investor understands and accepts that the investor is solely responsible for the decision to invest with RECM and fully understands the investment mandate and objectives of these collective investment schemes. Within the applicable regulations, the underlying investment composition of these collective investment schemes is at the discretion of the portfolio manager. The investor fully understands the implications hereof and hereby waives any such right or claim as the investor may have against RECM Collective Investments (Pty) Ltd and/or Regarding Capital Management (Pty) Ltd in respect of any loss or damage which may be incurred or suffered by the investor as a result of the investment composition of these funds. The investor also waives such right or claim against RECM Collective Investments (Pty) Ltd and/or Regarding Capital Management (Pty) Ltd in respect of any loss or damage which may be incurred or suffered, whether direct or indirect, by the investor as a result of the fact that no advisor was appointed to assist the investor with this investment.
7. Different classes represent different fee structures within a specific fund.
8. The manager may borrow up to 10% of the market value of the fund where insufficient liquidity exists in the fund, or where assets cannot be realised to repurchase, or cancel participatory interests. We do not expect this to happen in the ordinary course of events.
9. Investment in any of the selected funds will only be approved by RECM on receipt of the specified investment amount, a completed transaction form and all other required documentation.
10. If the unit holder requests a unit certificate, RECM will repurchase units from the unit holders investment in order to pay for the stamp duty payable in respect of the unit certificate and the net number of units will be certified.
11. RECM is a member of the Association for Savings and Investments SA (ASISA).
12. The minimum investment amounts may be raised in the future at the discretion of the Management Company.
13. The trustees of the RECM Collective Investment Scheme are: The Standard Bank of SA Limited, PO Box 54, Cape Town, 8001.
14. SARS would normally require us to withhold and pay over a portion of your dividends received, as a dividend withholding tax ("DWT"), before any dividends are actually re-invested or paid out to you. However, given this is a tax free savings investment, DWT will not be applicable to any dividends that are re-invested or paid out to you.
15. The Fund may be subject to FATCA, which is the United States Foreign Account Tax Compliance Act. The application of FATCA to the Fund is not currently clear, and its application may be affected by any intergovernmental agreement relating to the implementation of FATCA in South Africa, into which South Africa and the United States may enter. Different and potentially obligatory disclosure and withholding tax requirements may be imposed in respect of investors in the Fund and their beneficial owners as a result of either local implementing legislation and/or domestic legislation similar to FATCA. Potential investors who are in any doubt as to the risks involved in investing in the Fund are recommended to obtain independent financial advice before making an investment in the Fund.
16. Should you have a complaint, please email complaints@recm.co.za or call +27 21 657 3440 and we will respond accordingly.

ANNEXURE A - FUND TERMS AND DETAILS

South African Domiciled (ZAR-Based)				
Fund Name	RECM Money Market Fund	RECM Balanced Fund	RECM Global Flexible Fund	RECM Equity Fund
Strategy	Money Market	Reg. 28 Balanced	Flexible Balanced	Pure Equity (>90% Equity)
Investor Category	Retail/Institutional	Retail/Institutional	Retail/Institutional	Retail/Institutional
Value Proposition	<p>A money market unit trust that provides a sensible cash portfolio with very competitive fees. The Fund aims to maximise interest income, preserve capital and provide liquidity.</p> <p>This fund is suitable for investors requiring a Tax Free Investment solution.</p> <p>Note: This is not a bank account.</p>	<p>A unit trust which offers investors medium- to long-term income and capital growth by actively investing in a mix of local and offshore equities, bonds, property and cash. A maximum of 75% of the Fund's assets may be invested in equities at all times and a maximum of 30% offshore. Complies with Regulation 28 of the South African Pension Funds Act.</p> <p>This fund is suitable for investors requiring a Tax Free Investment solution.</p>	<p>A unit trust that may invest in equities, bonds, property, cash and offshore assets without any restrictions. The Fund's aim is to generate returns significantly greater than inflation over the long term while protecting capital against permanent loss through a rigorous adherence to a value-based philosophy.</p> <p>The F Class of this fund is suitable for investors requiring a Tax Free Investment solution.</p>	<p>A unit trust which invests exclusively in South African equities. The Fund's aim is to outperform the South African equity market over the long term by selecting shares based on a value philosophy. The fund will remain more than 90% invested in equities at all times.</p>
Investment Universe	SA money market instruments with a high credit rating	SA cash, bonds, equities, property; Global (up to 30%) cash, bonds, equities, property	SA: cash, bonds, equities, property; Global: cash, bonds, equities, property	SA equities only
Additional Information	<p>The total return to the investor is made up of interest received, any gain/loss on an instrument, and in most cases the return will merely have the effect of increasing or decreasing the daily yield, but in the case of abnormal losses it can have the effect of reducing capital value of the portfolio.</p> <p>The fund yield is quoted on an annual effective rate (NACA) basis. The NACA is the effective interest rate an investor can expect to earn over a 12 month period based on the nominal yield of the fund at a point in time. The nominal yield is simply the net interest accrual of all the instruments in the fund divided by the number of units in the fund (the fund NAV). The quoted NACA is always higher than the nominal yield because the calculation is based on an investor re-investing monthly income distributions back into the fund at the nominal yield. (i.e. The NACA is the compounded annual 12-month rate).</p> <p>Excessive withdrawals may place the portfolio under liquidity pressure in which case a process of ring fencing and managed pay-outs over time may be allowed.</p>			
Benchmark	Daily Call Rate	SA CPI + 5% p.a.	SA CPI + 6% p.a.	FTSE JSE All Share Index (TR)
Hurdle	N/A	N/A	SA CPI +8% p.a. Not applicable to the F Class of this Fund, which is for Tax Free Investments.	ALSI + 2.5% p.a.

South African Domiciled (ZAR-Based)

Fund Name	RECM Money Market Fund	RECM Balanced Fund	RECM Global Flexible Fund	RECM Equity Fund
Base fee excl. VAT	0.15%	0.90%	1.00%	1.00%
Performance fee excl. VAT	N/A	N/A	20% above hurdle, subject to a positive performance accrual over a rolling 5 years. Not applicable to the F Class of this Fund, which is for Tax Free Investments.	20% above hurdle, subject to a positive performance accrual over a rolling 5 years.
Fees and fund class	Annual management fee of 0.15% excl VAT. No annual performance fee.	Annual management fee of 0.90% excl VAT (RECM Balanced Fund - Class A). No annual performance fee (RECM Balanced Fund - Class A).	Annual management fee of 1%, excl VAT (Global Flexible Fund - Class A and Class F). An annual management fee of 1.5%, excl VAT (Global Flexible Fund - Class C), is charged if the investor has utilised the services of a third party, such as a LISP or a financial advisor. Annual performance fee of 20% is levied on returns in excess of CPI plus 8% (gross of fees). This is, however, not applicable to the F Class of this Fund, which is for Tax Free Investments. The Fund may invest in the Guernsey-domiciled RECM Global Fund, which is an associated collective investment scheme, and will incur the investor fees connected with those investments. These fees are included when calculating the RECM Global Flexible Fund unit price.	Annual management fee of 1%, excl VAT (Equity Fund - Class B). An annual management fee of 1.5%, excl VAT (Equity Fund - Class D) is charged if the investor has utilised the services of a third party, such as a LISP or a financial advisor. Annual performance fee of 20% is levied on returns in excess of the fund's hurdle being the FTSE/JSE All Share Index (including income) plus 2.5%.
Transaction cut off times	Instructions must reach RECM before 11h00 on a business day to ensure same day value. Investments will only be finalised once all your documents have been received and your money has cleared in our bank account.	Instructions must reach RECM before 14h00 on a business day to ensure same day value. Investments will only be finalised once all your documents have been received and your money has cleared in our bank account.	Instructions must reach RECM before 14h00 on a business day to ensure same day value. Investments will only be finalised once all your documents have been received and your money has cleared in our bank account.	Instructions must reach RECM before 14h00 on a business day to ensure same day value. Investments will only be finalised once all your documents have been received and your money has cleared in our bank account.
Income distribution	Income distributions are declared monthly. Payments are typically made one business day after month end. Note: Income distributions on Tax Free Investments will be reinvested.	Income distributions are declared quarterly (as at quarter ends March, June, September and December). Payments are typically made three business days after the quarter end. Note: Income distributions on Tax Free Investments will be reinvested.	Income distributions are declared quarterly (as at quarter ends March, June, September and December). Payments are typically made three business days after the quarter end. Note: Income distributions on Tax Free Investments will be reinvested.	Income distributions are declared semi-annually (as at month ends March and September). Payments are typically made three business days after the month end.
Minimum investment	R 150,000 (or R 10,000 for Tax Free Investments)	R 10,000	R 150,000 (or R 10,000 in Class F of this Fund, which is for Tax Free Investments)	R 150,000

Note: All Investments carry investment risk. Where foreign investments are included in the fund, there are further risks associated, which include foreign exchange risks, tax risks and political risks. For further explanations, please read the Minimum Disclosure Document.

Total Expense Ratio (TER) and Transaction Costs

The TER reflects the percentage of the Fund's Net Asset Value that was incurred as expenses relating to the administration of the Fund, including the annual fee and the performance fee and intermediary fee if applicable. A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER may not necessarily be an accurate indication of future TER's. Transaction costs are a necessary cost in administering the Fund and impacts the Fund's returns. It should not be considered in isolation as returns may be impacted by many other factors over time including market returns, the type of financial product, the investment decisions of the investment manager and the TER. The TER and Transaction costs are a measure of the actual expenses incurred by the Fund over a 3 year period (annualised). If the Fund is between 1 and 3 years old, the TER and Transaction Costs are calculated using the actual expenses incurred since the inception of the Fund. The sum of the TER and Transaction Costs is shown as the Total Investment Charge in the Minimum Disclosure Document; these costs all being VAT inclusive.