ARYSTEQ
ASSET MANAGEMENT

ARYSTEQ REAL RETURN FUND
Fund Information

What are the Fund's Objectives?

The Fund aims to outperform Namibia Consumer Price Index + 4% and to preserve the purchasing power of assets and to invest in an appropriate mix of Equities, Fixed Income, Property, Commodities and Cash. The fund is allowed offshore exposure up to 35% of the portfolio.

Who should consider investing in this fund?

Investors who wish to preserve wealth and who:

- Pensioners and other investors requiring an income, especially those in the first half of retirement.
- Living annuity investors seeking a fund that aims to achieve both income and capital growth.
- Investors requiring a low-risk fund, which offers a reasonable rate of return, for their retirement annuity, provident fund, preservation fund or pension fund.
- Conservative investors who want to protect their savings.
- Trusts, endowments, foundations and charities who require long-term funding of a moderate spending rule.

What does this fund invest in?

This fund can invest in a wide variety of assets, such as listed equities, listed bonds, listed property, listed commodities and cash, including Namibia, South Africa and internationally. The fund complies with Regulation 13, which limits the exposure of retirement investors to certain asset classes. In order to be compliant with Regulation 13, this fund has to hold a minimum of 45% of investments in Namibia.

The fund will not apply any leverage in the portfolio through borrowing or short positions. The fund may take derivative positions, but only as a portfolio management decision to hedge portfolio exposures or to apply a more cost-effective asset allocation.

Portfolio Risk and Information

The risk category of this fund is "medium" and is geared towards investors that have a medium-term time horizon as well as medium level of tolerance to take risk. This fund is appropriate for investors that wish to maximise their retirement planning objectives over a 3-year period or more.

The fund provides daily liquidity for investors, except when the liquidation represents more than 1% of the overall portfolio value. In such instances the withdrawal will be managed by the portfolio manager within 3 business days. In addition to this, when the liquidation represents more than 5% of the overall portfolio value, the withdrawal will be managed by the portfolio manager within 5 business days.

The fund does not attract capital gains tax. Withholding tax on interest and dividends are applicable depending on the jurisdictions in which the underlying instruments are invested. Such withholding taxes are deducted at the fund level and no further tax implications will be applicable to the individual investor. The investor should seek professional advice with respect to tax matters related to their specific investments.

What are the costs of investing in the fund?

An annual fee of 1.25% is applied per annum. There are no performance fees.

Fund expenses, excluding asset management fees that are incurred in the fund include trading, custody, audit charges and regulatory levies. We do not charge fees to invest or withdraw from the fund.

Arysteq does not provide financial advice. If you appoint an adviser, advice fees are contracted directly between you and the adviser. For more information, please contact the relevant platform.

IMPORTANT INFORMATION

Information and content

The information in and content of this publication are provided by Arysteq as general information about the company and its products and services. Arysteq does not guarantee the suitability or potential value of any information or particular investment source. The information provided is not intended to, nor does it constitute financial, tax, legal, investment or other advice. Before making any decision or taking any action regarding your finances, you should consult a qualified financial adviser. Nothing contained in this publication constitutes a solicitation, recommendation, endorsement or offer by Arysteq.

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Management Company

Arysteq Asset Management (Pty) Ltd ("Arysteq") is registered with NAMFISA and the investment management license number is 25/12/86. Arysteq is a wholly owned subsidiary of Lexus Securities (Pty) Ltd, a diversified financial services group that is entirely owned, managed and staffed by Namibians. Arysteq has one wholly owned subsidiary, Arysteq Unit Trust Management Ltd under which our unit trust scheme is housed. Its unit trust scheme license number is 25/9/5/26.

The custodians of the Arysteq Unit Trust Scheme are Nedbank Namibia.

Performance

Collective investment schemes in securities (unit trusts or funds) are generally medium- to long-term investments. The value of units may go down as well as up and past performance is not necessarily a guide to future performance. The Management Company does not provide any guarantee regarding the capital or the performance of the Fund. Performance figures are provided by the Investment Manager and are for lump sum investments with income distributions reinvested. Actual investor performance may differ as a result of the investment date, the date of reinvestment and applicable taxes.

Unit Price

Unit trust prices are calculated on a net asset value basis, which is the total market value of all assets in the Fund, including any income accruals and less any permissible deductions from the Fund, divided by the number of units in issue. Forward pricing is used and fund valuations take place at approximately 15:00 each business day. Purchase and redemption requests must be received by the Management Company by 10:00 each business day to receive that day's price.

Foreign Exposure

This fund may have foreign exposure through secondary listings that are inward listed on the Johannesburg Securities Exchange (JSE). Additionally, the fund can invest up to 35% in assets listed on markets outside of Africa.

FTSE/JSE Capped All Share Index (J303)

The FTSE/JSE Capped All Share Index (JSE J303) represents approximately 99% of the full market capitalisation of all eligible securities listed on the Main Board of the Johannesburg Stock Exchange (JSE). Constituents are weighted by their free float-adjusted market capitalisation, consistent with the FTSE/JSE All Share Index methodology; however, individual constituent weights are capped at a maximum of 12% at each quarterly review. The capping mechanism is applied using free float-adjusted shares in issue and closing prices as at the review cut-off date. The index is designed to provide broad exposure to the South African equity market while limiting concentration risk in the largest constituents. Source: JSE / FTSE Russell Ground Rules

MSCI World Index

The MSCI World Index captures large and mid-cap representation across Developed Markets countries. The index covers approximately 85% of the free float-adjusted market capitalisation in each country.

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Compliance to Regulation 13

This fund is managed in compliance with Regulation 13 of the Pensions Fund Act 24 of 1956, Regulation 9 of the Medical Aid Act 23 of 1995 and the Short- and Long-Term Insurance Act of 1998, which requires the fund to hold a minimum of 45% of investments in Namibia.

This fund is managed in compliance Unit Trust Control Act and its amendments.

Fund mandate

Funds may be closed to new investments at any time in order to be managed according to their mandates. Unit trusts are traded at ruling prices and can engage in borrowing and scrip lending.