

Investment objective

What is the main objective of the portfolio?

Income

Capital growth

Capital preservation

Combination of income and capital growth

Withdrawal and Income objectives

Do you need regular income from this portfolio?

If you answered "no" to the above, please proceed to the next section "Risk tolerance and return objectives"

If yes, what annual amount in Rand do you estimate you will need?

What percentage of the total portfolio value does your annual withdrawal represent?

When do you expect to start making withdrawals from the portfolio?

Within 6 months

6 to 12 months

1 to 2 years

2 to 5 years

Immediately

How often do you expect to make the withdrawals, once they start?

Monthly

Quarterly

Twice a year

Once a year

On Request

Do you expect to make any large (10% of the value or more) ad hoc withdrawals from the portfolio in the next 12 months?

Yes

No

If yes, please provide details

If the income from the portfolio is not enough to meet your expected annual income, how do you expect to derive the balance of your income?

Salary

Annuity / pension

Self-employment

Capital from portfolio

Not applicable

Other

Risk tolerance and Return objectives

What is your level of experience with regards to investing in financial markets?

None

Moderate

Reasonable

High

How would you describe your investment horizon?

Short-term (less than 3 years)

Medium-term (3 to 5 years)

Long-term (more than 5 years)

Please select an option:

I am aware that a portfolio with exposure to risk assets can decrease in value

It is more important to preserve the capital

How many years do you have left until retirement?

Retired

Less than 3 years

3 to 5 years

Long-term (more than 5 years)

What is your investment mandate?

Global – includes an allocation to offshore equity and non-equity investments via asset swap

Domestic – allocation to South African investments only

Will the portfolio be 100% Shari'ah compliant?

Yes

No, equity compliant and non compliant income acceptable (interest)

Treatment of non-permissible income (NPI)?

Reported and paid to owners

Reported and paid directly to the committee charity of choice

Reported only

State the recipient details of the NPI

Shari'ah Committee confidentiality

Yes

No

NPI will be calculated when dividends are received. The value of NPI will not be re-invested unless you have opted to donate NPI from your own sources. Only compliant income will be reinvested for a mandate that pays out NPI from the portfolio.

The Shari'ah Committee will review the investment universe every six months. Assets that are no longer compliant will be sold from a portfolio within three months of them becoming non compliant.

All income other than dividends will be termed "interest" despite it being taxable profits. The definition aligns the income with SARS definition of taxable income.

Annexure A of the Portfolio Management Agreement between Melville Douglas Investment Management (PTY) LTD (“the portfolio manager”) and the client

1. DEFINITIONS AND EXPRESSIONS:

- “NPI” refers to non permissible income and includes all income that is regarded as impermissible in accordance with Shari’ah Law.
- “PMA” is the portfolio management agreement entered into between the portfolio manager and the client. This annexure is to be read in conjunction with the PMA, as all clauses of the PMA are applicable. This annexure merely restricts certain activities of the portfolio manager and client to ensure that the portfolio remains Shari’ah compliant.
- “Shari’ah” refers to Islamic Law as interpreted by the Shari’ah Supervisory Committee.
- “Shari’ah compliant investments” shall mean any investments in listed or unlisted securities or assets and include offshore investments made in accordance with the principles and guidelines issued by the SSC
- “Shari’ah compliant portfolio” shall mean investments made and cash managed by the portfolio manager on behalf of the client in compliance with principles/ guidelines issued by the Shari’ah Supervisory Committee
- “Shari’ah Supervisory Committee” or “SSC” is a body of specialists in Islamic commercial law. They are entrusted with the duty of directing, reviewing and approving investments/ products and other activities pertaining to Shari’ah compliant portfolios.

2. TERMS AND CONDITIONS

- The client appoints the portfolio manager to be his exclusive attorney and agent in order to manage a Shari’ah compliant portfolio on the client’s behalf at the full discretion of the portfolio manager, in accordance with the guidelines issued by the SSC, and in the manner set out in the PMA and in this Annexure.
- The client hereby appoints the portfolio manager to invest his / her investment portfolio in the Shari’ah compliant Instruments.
- All off-shore investments will be made in instruments that comply with Shari’ah law.
- The Shari’ah rulings and opinions of the SSC of Melville Douglas shall be final and binding. Similarly, any dispute relating to Shari’ah compliance will be referred to the SSC for a final and binding ruling.
- The client shall pay the portfolio manager as consideration for its services pursuant to this agreement a Management fee as discussed in clause 8 of the PMA, in accordance with the Wakalah Bil Ujrah Model. The Manager may revise this fee from time to time and any change in this fee would be communicated to the client in writing.
- All dividends/ earnings received net of NPI will be re-invested in the client’s portfolio. NPI will not be re-invested.
- The client hereby instructs the portfolio manager to calculate any NPI earned on any investments. The client shall be informed of such NPI. The client may opt to receive the NPI and dispose of it as required in Shari’ah.
- The client may also appoint the portfolio manager to dispose of NPI to charities approved by the SSC.

Please tick the appropriate box:

I would like to receive NPI as I undertake to dispose of it personally

appoint the portfolio manager to dispose of NPI

Ability and Willingness to assume risk

Overall ability to assume risk

Note: An indicative range of the exposure to equities as a percentage of the portfolio value is given below for a range of risk tolerances. The exact percentage of equity in the portfolio may fall below, or rise above, this range from time to time based on share price volatility and changes to asset allocation. The objective will be to manage the equity exposure within the given ranges over a period of time.

Conservative	Portfolio allocation and management is aimed at minimising the risk of losing capital. Defensive investors typically place a high percentage of their investible assets in bonds, cash, and cash equivalents. A defensive strategy typically means a low risk which may be associated with a lower return.
Minimal risk	Low risk
No exposure to equities. Assets may be invested in cash, cash equivalents and bonds. The total return (capital and income) objective of the portfolio is CPI.	Exposure to equities – 25% to 45%. The balance of the assets may be invested in cash, cash equivalents and bonds. The total return (capital and income) objective of the portfolio is CPI + 2%.
Moderate	Portfolio allocation and management is designed to provide income growth and capital appreciation, while avoiding excessive risk by balancing the exposure between equity and non-equity (bonds, cash, and cash equivalents) investments.
Medium risk	Long-term capital growth
Exposure to equities – 45% to 65%. The balance of the assets may be invested in cash, cash equivalents and bonds. The total return (capital and income) objective of the portfolio is CPI + 3%.	Exposure to equities – 60% to 80%. The balance of the assets may be invested in cash, cash equivalents and bonds. The total return (capital and income) objective of the portfolio is CPI + 4%.
Aggressive	An investment strategy characterised by a willingness to accept above-average risk in pursuit of above-average returns. Usually favours stocks over less volatile non-equity investments. Variation in capital value is likely, and investors should have a long investment time horizon.
High Growth	Aggressive
Exposure to equities – 75% to 95%. The balance of the assets may be invested in cash, cash equivalents and bonds. The total return (capital and income) objective of the portfolio is CPI + 5%.	Exposure to equities – over 90%. The balance of the assets may be invested in cash and cash equivalents. The total return (capital and income) objective of the portfolio is CPI + 6%.

Other Investments constraints / considerations

Tax considerations

What is the marginal tax rate of the portfolio?

Unique circumstances

Do you have any specific requirements with regards to embargoed investments or directors' dealings?

Other important considerations

Do you have any shares that need to be held in a number 2 portfolio?

