

## EASYCOMPARE DISCLAIMER AND DISCLOSURE DOCUMENT

### 1. GENERAL

- 1.1 EasyCompare is a product of First World Trader (Pty) Ltd t/a EasyEquities (registration number 1999/021265/07) which is an authorized Financial Services Provider (FSP number 22588), a registered credit provider (NCRCP 12294) and a licensed over-the-counter derivatives provider (ODP44).
- 1.2 The inclusion of an exchange traded fund (“ETF”) on the website does not necessarily indicate any contractual relationship between EasyEquities and the manager/issuer, or the payment of fees for services. The advertising of a particular manager is paid for by that particular manager and does not represent an endorsement of the manager by EasyEquities.
- 1.3 The inclusion of an ETF on the website is not an indication of value and does not mean that any of the products listed is an appropriate investment for you.
- 1.4 **The data/information on the website has been provided by ProfileData and statistics (as stipulated on the website) have been provided by EasyEquities from the EasyEquities platform and whilst every care has been taken, no representation, warranty or undertaking, expressed or implied, is given as to the accuracy or completeness thereof. EasyEquities does not accept any liability for any errors or outdated information.**
- 1.5 **EasyEquities does not accept any liability for any direct or indirect loss, damage or expense that you may incur from the use of and/or reliance on the information and services provided through the website. By continuing to use the website, you agree and acknowledge that you will have no claim against EasyEquities in this regard and you indemnify EasyEquities accordingly.**
- 1.6 It is your responsibility to review the information provided on this website against the information on the relevant manager’s website and contact your financial adviser should you require financial advice.

### 2. GENERAL

- 2.1 ETFs are generally medium to long-term investments. The value of these financial products including the value of the participatory interests can go down, as well as up, as a result of changes in the value of the underlying investments. An investor may not recoup the full amount invested. Past performance is not necessarily an indication of future performance. Forecasts and examples are for illustrative purposes only and are not guaranteed to occur. Any projections contained in the information are estimates only and are not guaranteed to occur. The projections, if any, are subject to market influences and contingent upon matters outside the control of the company, so may not be realised in the future.
- 2.2 Neither EasyEquities nor the relevant manager provides any guarantee, either with respect to the capital or the return of an ETF. Different classes of participatory interests apply to these ETFs and are subject to different fees and charges. A schedule of all fees and charges, inclusive of VAT and maximum commissions, is available on request from your financial adviser, or on the relevant manager’s website. Forward pricing is used.

### 3. SPECIFIC DISCLOSURES

#### 3.1 Risks

- (1) **Derivatives:** There is no assurance that an ETF’s use of a derivative strategy will succeed. An ETF’s management may employ a sophisticated risk management process, to oversee and manage derivative exposures within an ETF, but the use of derivative instruments may involve risks different from, and, in certain cases, greater than, the risks presented by the securities from which they are derived.
- (2) **Exposure to foreign securities:** Foreign securities within ETFs may have additional material risks, depending on the specific risks affecting that country, such as: potential constraints on liquidity and the repatriation of funds; macroeconomic risks; political risks; foreign exchange risks; tax risks; settlement risks; and potential limitations on the availability of market information. Fluctuations or movements in exchange rates may cause the value of underlying international investments to go up or down. Investors are reminded that an investment in a currency other than their own may expose them to a foreign exchange risk.
- (3) **Money market:** A money market portfolio is not a bank deposit account. A constant price (CNAV) is applied to a participatory interest. The total return to the investor is made up of interest received and any gain or loss made on any particular 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 the capital value of the ETF. Excessive withdrawals from the ETF may place the ETF under liquidity pressures, and in such circumstances a process of ring-fencing of withdrawal instructions and managed pay-outs over time may be followed.

- (4) **Fund of funds:** A fund of funds is a portfolio that invests in ETFs of collective investment schemes that levy their own charges, which could result in a higher fee structure for the fund of funds.
- (5) **Feeder funds:** A feeder fund is a portfolio that invests in a single ETF of a collective investment scheme, which levies its own charges, and which could result in a higher fee structure for the feeder fund.
- (6) **Tax free savings accounts:** For classes of participatory interests that are tax free savings investments, you don't pay tax on capital gains, dividends or interest. National Treasury introduced tax free investments, to encourage people to save. From 01 March 2020, the maximum annual investment limit is R36 000 per tax year (from beginning March to end February), and the lifetime investment limit is R500 000. You cannot contribute more than R36 000 per tax year, and any capital amounts withdrawn don't get deducted from the contributions made, in calculating the use of the allowance. The maximum investment limits apply across financial products, not per financial product, so your contribution amounts are aggregated across financial products, in calculating the use of the allowance. The limits are not applicable to the growth on your investment. If you exceed these limits, the SARS will levy a tax of 40% on all contributions that exceed R36 000 per tax year. Therefore, you should monitor your contributions, so that you don't incur a 40% tax rate on excess contributions. From 01 March 2018, transfers between providers are permitted, and you may not convert existing investments into tax free investments.
- (7) **Drawdown:** The potential magnitude of loss - the largest peak-to-trough decline in returns over the period, also known as the maximum drawdown.
- (8) **Liquidity:** The risk that a given security or asset cannot be traded quickly enough in the market to prevent a loss (or make the required profit).
- (9) **Equities:** The value of equities may vary according to company profits and future prospects, as well as more general market factors. In the event of a company default, the owners of their equity rank last in terms of any financial payment from that company.
- (10) **Bonds:** The value of fixed income investments (e.g. bonds) tends to decrease when interest rates and/or inflation rises. Bonds issued by major governments and companies, will be more stable than those issued by emerging markets or smaller corporate issuers. If an issuer experiences financial difficulty, there may be a risk to some, or all, of the capital invested. Any historical or current yields quoted should not be considered reliable indicators of future performance.
- (11) **Third party named portfolios:** The relevant manager has entered into co-named agreements with the relevant third party. The manager retains full legal responsibility for the third party named portfolio. The assets of the portfolio are managed by an external financial services provider (FSP), being the investment manager. For co-named portfolios, the FSP has no intention of becoming a manager. There may be potential conflicts of interest, which must be managed in accordance with the conflicts of interest management policy.
- (12) **Index tracking ETFs:** Index tracking portfolios are CIS in securities that track the performance of an index(es). Investors can view the constitution and performance of the index(es) at [www.jse.co.za](http://www.jse.co.za). Risks associated with index tracking ETFs are that some index tracking ETFs rely on complex investment techniques, or hold riskier underlying assets, to achieve their objectives, so you should always ensure you read the documentation provided by the relevant manager, to ensure you fully understand the risks you are taking on, before you invest.
- (13) **For a detailed description of these risks, and other risks that are relevant to the ETF, please refer to the risk disclosure documents available on the relevant manager's website.**

### 3.2 Redemptions

The collective investment scheme may borrow up to 10% of the market value of the ETF to bridge insufficient liquidity. The ability of the ETF to repurchase, is dependent upon the liquidity of the securities and cash of the ETF. A manager may suspend repurchases for a period, subject to regulatory approval, to await liquidity, and the manager must keep the investors informed about these circumstances.

### 3.3 Yields

The yield for bond and income ETFs is historic and is calculated quarterly. The yield for money market portfolios is historic and is calculated daily.

### 3.4 Prices

The latest prices and TERs are published daily in the Business Report (South Africa's National Financial Daily) and are made available on the relevant manager's website.

### 3.5 **Performance fees**

Please refer to the relevant minimum disclosure documents, and the schedule of all fees and charges, inclusive of VAT and maximum commissions, which are available on request from your financial adviser, or on the relevant manager's website.

### 3.6 **Performance returns**

Lump-sum performance returns are being quoted. Income distributions, prior to deduction of applicable taxes, are included in the performance calculations. NAV to NAV figures have been used for the performance calculations, as calculated by the manager at the valuation point defined in the deed, over all reporting periods. Investment performance calculations are available for verification upon request by any person. Reinvestment of income is calculated on the actual amount distributed per participatory interest, using the ex-dividend date NAV price of the applicable class of the ETF, irrespective of the actual reinvestment date. The performance is calculated for the fee class.

The individual investor performance may differ, as a result of fees, the actual investment date, the date of reinvestment and dividend withholding tax. The rate of return is calculated on a total return basis, and the following elements may involve a reduction of the investor's capital: interest rates, economic outlook, inflation, deflation, economic and political shocks or changes in economic policy. Annualised returns are period returns re-scaled to a period of one year. This allows investors to compare returns of different assets that they have owned for different lengths of time. All period returns greater than one year have been annualised. Returns for periods less than one year have not been annualised. A cumulative return is the aggregate amount an investment has gained or lost over time, independent of the period of time involved. Actual annual figures are available to the investor on request. Illustrative investment performance is for illustrative purposes only.

### 3.7 **Additional information**

For additional information on the ETFs, refer to the documents available on the website of the relevant manager, or from your financial adviser, or on request from the manager, free of charge.

### 3.8 **Complaints and conflicts of interest**

The complaints policy and procedure, as well as the conflicts of interest management policy, are available on the website of the relevant manager. Associates of the manager may be invested within certain ETFs, and the details thereof are available from the relevant manager.

### 3.9 **Closure of the CIS portfolio**

The manager has the right to close certain portfolios to new investors, in order to manage them more efficiently, in accordance with their mandates.

### 3.10 **Contact details**

For more information about the ETFs, including the details of each manager, trustee, and investment manager, please refer to the latest minimum disclosure documents, available on the website of the relevant manager.