

SCHEDULE OF SIMILARITIES AND DIFFERENCES BETWEEN

GUERNSEY SCHEME

SOUTH AFRICAN COLLECTIVE INVESTMENT SCHEME



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NO.	TOPIC	GUERNSEY REGULATION/SCHEME	SA REGULATION/COLLECTIVE INVESTMENT SCHEME
1	Investment restriction of instruments issued by the government	Master fund: Maximum of 100% of portfolio, minimum 6 issues, maximum 30% of portfolio per issue	No limit
2	Investment restriction on an individual security i.r.o. equity portfolios	Master fund: Maximum of 10% of portfolio, and where individual securities exceed 5% of portfolio, they do not, in total, exceed 40% of portfolio	Maximum of 5% of portfolio if company market cap is less than R2 billion, else 10%
3	Investment restriction on a class of security i.r.o. equity portfolios	Master fund: Maximum 10% of the non-voting shares of the same issuer. The Company may not acquire voting shares which would enable it to exercise significant influence of the management of the issuer	Maximum of 5% of amount in issue if company market cap is less than R2 billion, else 10%. An overall limit of 15% of the aggregate amount of securities in any one class issued by a concern within the same group as the manager across all portfolios. An overall limit of 24% of the aggregate amount of securities in any one class issued by a concern other than a concern within the same group as the manager across all portfolios
4	Investment restrictions for specialist funds, e.g., money market portfolio or fund of funds or feeder funds	Apart from assets in liquid form, the portfolio must invest exclusively in the master fund	Subject to certain limits prescribed in regulation for feeder funds
5	Investment restrictions on the use of derivative instruments	Master fund: 100% effective exposure restricted for the purposes of hedging, efficient portfolio management only. No uncovered exposures are permitted. No gearing allowed	100% effective exposure restricted for purposes of efficient portfolio management only. No gearing allowed
6	Investment in listed instruments	Master fund: Equity securities must be traded on a Regulated Market. Unlisted forward currency, interest rate or exchange rate swap transactions may be utilised for purposes of efficient portfolio management, provided the counterparty is subject to Luxembourg prudential supervision, and OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Company's initiative	90% of securities must be listed on exchanges having obtained full membership of the World Federation of Exchanges. Over-the-counter (OTC) derivative instruments that are allowed: forward currency swap, interest rate swap, exchange rate swap and index swap
7	Non-equity securities (other than issued by the government)	Master fund: Maximum of 10% of portfolio of interest-bearing instruments that are assigned a credit rating inferior to Investment Grade. Investment in a security that compels the acceptance of physical delivery of a commodity is not permitted.	Must comply with limits as prescribed in Regulation
8	Investment in unlisted instruments	Master fund: Not permitted, except for OTC derivative instruments and newly issued equities provided the listing is secured within a year of issue.	Maximum of 10% of portfolio value. Such instruments must be valued daily based on a generally recognised methodology and by a person acceptable to trustee
9	Investment of own resources into the fund	Not required	Manager must invest 10% of own resources in each fund; can be limited to R1,000,000 maximum per fund. The R1m may be reduced with 10% for every R1m invested
10	Borrowing	The Fund may borrow to accommodate redemption requests while effecting orderly liquidation of portfolio assets. Maximum borrowing of 10% of portfolio.	10% of the value of the underlying portfolio permitted to meet its obligations in relation to the administration of a scheme relating to settlement of buying and sale transactions and repurchase or cancellation of participatory interests

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	Leveraging/Gearing	Leveraging/Gearing not allowed	Leveraging/Gearing not allowed
11	Markets/Exchanges		
11.1	Listed	Equity securities must be traded on an exchange which has been granted full membership of the World Federation of Exchanges	90% of exchanges must have been granted full membership of the World Federation of Exchanges; the rest must follow due diligence guidelines as prescribed by Regulation
11.2	OTC Markets	Not allowed	Not allowed

12	Expenses/Charges		
12.1	Costs to investors	Full disclosure in Prospectus and a notice to unitholders of change	Full disclosure in Deed and a notice to unitholders of change
12.2	Charges against income of the portfolio	Management fee and other fees payable in underlying master fund, trustee fee, interest, bank charges, taxes, regulatory and government duties, legal fees and audit fees	Brokerage, MST, VAT, stamp duties, taxes, audit fee, bank charges, trustee/custodian fees, other levies or taxes service charge and share creation fees payable to the Registrar of Companies
13	Determination of market value of investments	Fair market price, or as determined by stockbroker	Fair market price, or as determined by stockbroker
14	Risk factors	Concentrated portfolios and liquidity, substantial redemptions, currency risk, other risks (including market and economic risks and legal, regulatory and tax risks)	
15	Capped or not capped	Not capped	Not capped
16	Redemption (repurchase) of participatory interests	Legally obliged to redeem units on subscription day	Legally obliged to redeem at same day's or previous day's price as determined in Deed
17	Independent trustee/custodian	Trustee must be completely independent	Trustee/custodian must be completely independent
18	Taxation of portfolio	No taxation in Guernsey	No taxation. Interest and dividend portion taxable in the hands of the individual
19	Taxation of unitholders		
19.1	Income — Dividends — Interest	No income or withholding taxes to be deducted on dividend or interest payment distributions	Interest and dividends (dividend withholding tax introduced on 1 April 2012) are taxable.
19.2	Capital gains	No capital gains tax in Guernsey	Capital gains tax introduced on 1 October 2001
20	Interval at which participatory interests are priced	Daily	Daily
21	Distributions	Accumulation units	All income distributed regularly or reinvested at option of the investor
22	Switching	Not applicable	Allowed. Charges differ
23	Pledging of securities	Allowed only for purposes of borrowing (refer to borrowing in par 10 above)	Allowed only for purposes of borrowing (refer to borrowing in par 10 above)
24	Scrip lending	None	Allowed, may not exceed 50% of market value the portfolio, plus other conditions as prescribed in Deed
	Scrip borrowing	None	Not allowed
25	Certificates, if issued and needed for redemption	None	Issued on request
26	Reporting to supervisory authority	Quarterly and annually	Quarterly and annually
27	Inspection powers by supervisory authority	Yes	Yes
28	Reporting to investors	Annually	Annually
29	Legal structure if different	Collective Investment Scheme, trust-based	Collective Investment Scheme, whether trust-based or

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	from trust		Open Ended Investment Company
30	Interest earned on funds pending investment and redemption	Interest not paid to clients	Interest paid to clients
31	Any other material difference	No material deviation from SA regulations identified	
