

## First World Hybrid Real Estate Plc FAQs

If you have any queries, please contact our Client Relationship Team on [info@marriott.co.za](mailto:info@marriott.co.za), +27 (0)31 765 0700 or 0800 336 555.

### 1. Investing in First World Hybrid Real Estate Plc

#### 1.1. What is the First World Hybrid Real Estate Plc?

First World Hybrid Real Estate Plc ("FWHRE" or "the Fund") is a real estate investment company that invests in a combination of direct real estate and listed real estate investment trusts ("REITS"). All direct real estate is currently located in prime locations in the United Kingdom and is predominantly distribution warehousing. Tenants are large, multinational and/or listed companies with a weighted average unexpired lease term (WAULT) of above 10 years.

The objective of this fund is to combine the benefits of direct and listed First World real estate to generate a reliable, predictable and growing income. With the majority of the return generated from the income yield, the investment outcome can be anticipated with a reasonable degree of certainty.

The Company is a Regulated Fund in the Isle of Man and is subject to the Isle of Man Collective Investment Schemes (Regulated Fund) Regulations 2017. It is managed by FIM Capital Limited ("FIM Capital") who is regulated by the Isle of Man Financial Services Authority ("FSA"). FWHRE is listed on The International Stock Exchange ("TISE") and is subject to the Exchange's listing rules.

#### 1.2. What are the investment options?

FWHRE offers investors the option of two direct classes of shares:

##### Class A (Income) Shares

- Distributions are declared quarterly and paid into a designated income account where investors have three payment options. Please see Section 1.5. below for more detail.
- Investment Management fees are deducted from the income account (without realising capital gains). Please see Section 4 for more details.

##### Class B (Accumulating) Shares

- No distributions are declared or paid.
- Income is 'rolled up' in the valuation of the shares in this class.
- The investment management fee is deducted from the capital account via the automatic redemption of shares. In certain circumstances this could trigger potential tax liabilities.

The cost structures are the same for both share classes.

#### 1.3. What is the minimum investment amount?

International Investment Mandate – Minimum investment amount for new investors:

- Individuals: £25,000
- Entities and Trusts: £100,000

The minimum amount for an initial investment into FWHRE is £10,000, provided the investor meets the overall IIM minimum.

Please see Section 8 of this FAQ for full details on how to invest, supporting documents, account opening, etc.

#### 1.4. Is there a minimum amount for additional investments?

There is no minimum for additional investment amounts.

Please see Section 8.7. of this FAQ for full details on how to make an additional investment.

### 1.5. Does FWHRE pay an income?

Yes, for Class A only. If the profits of the Fund are sufficient, the Directors may resolve to make quarterly distributions. There are three income options:

- Income to be reinvested (back into FWHRE): Income is accumulated in a designated income account until reinvestment occurs.
- Income to be accumulated in the separate income designated account: This account can be used for ad hoc withdrawals or, the income can be accumulated for future top-ups. Please note that this account is non-interest bearing.
- Income to be paid quarterly and credited to the nominated bank account (minimum payment of £400 applies).

Please note there is a £35 telegraphic transfer fee for all income payments made to non-UK bank accounts and also for payments to UK bank accounts where the payment is in excess of £20,000.

### 1.6. Are there any restrictions on who can invest?

#### Individual Investors:

- US nationals and persons resident in the US
- Any natural person under the age of 18
- Prohibited Persons (a definition of Prohibited Persons is detailed in the Offering Document)

#### SA Registered Companies and Trusts:

- Companies: The SARB does not allow SA companies to use their foreign investment allowance to invest in direct share portfolios. A solution to this is for companies to make use of the Marriott asset swap capacity to remit funds offshore and be invested on their behalf.
- Trusts: SA registered trusts (including Testamentary/Will Trusts) do not have a foreign investment allowance. A solution to this is for trusts to make use of the Marriott asset swap capacity to remit funds offshore and to invest on their behalf.

#### Minor Investors:

While minors may not hold an investment in their own name, it is possible to invest for a child with the account being opened in the name of an adult, but designated to the child, i.e. the client records would reflect the investor's full name as, John David Smith (a/c Child's Name). All account opening documentation will be signed by the adult. Please note that this is not a joint account; this is simply an account in the name of the adult, but with a designation reference to the child. In the event of the death of the adult, the account will not revert to the child automatically, like it would with a joint account; it would need to go through the probate process.

### 1.7. What happens if I move to the US while I am an investor?

The Offering Memorandum states that a permitted investor in FWHRE is a person who is:

- a) not a Prohibited Person; and
- b) not a US person.

Should a pre-existing investor become resident in the US, any tax reporting obligations will be the responsibility of the investor. The investor must notify the Fund Manager (FIM Capital) if they become resident in the US.

### 1.8. When will a clients' funds be invested?

Upon receipt of a clear copy of the International Investment Mandate, and all supporting documentation, an account will be opened. Once funds have been received, FIM Capital will ensure that these are invested at the next available dealing date. The original Mandate and the supporting documents must still be submitted as it remains one of FIM Capital's core regulatory requirements under the Isle of Man Regulations. Funds will be invested once the investment account has been opened, and when the next dealing date is reached (FWHRE trades weekly and is therefore priced weekly too).

### 1.9. Can investors withdraw from FWHRE?

Yes, upon receipt of a signed Withdrawal Instruction. Investors can withdraw their entire portfolio, or a portion of their existing portfolio. Where investors are withdrawing a portion of their existing portfolio, a minimum balance of £10,000 will need to remain in the FWHRE account. Withdrawals from FWHRE are a CGT event. Please see Section 3 of this FAQ for more details.

### 1.10. How long does the withdrawal process take?

Withdrawals take 11-15 working days to process, once all the necessary instructions have been received and all paperwork in order.

- Withdrawal instructions need to be received 5 clear business days prior to the next dealing day.
- Dealing takes place once a week, generally on a Monday using the price calculated with effect from the previous Friday.
- Payment of the redemption proceeds will be made within 5-10 working days of the relevant dealing day.

Please allow additional time from the date of payment for the proceeds to reflect in your bank account due to international inter-bank payment routing. These time frames may vary dependent on the banks involved in payment as well as the country, currency and intermediary banks.

### 1.11. Can investors switch between FWHRE classes?

Yes, switches between classes can be made, upon receipt of a signed Switch Instruction.

Investors can switch their entire portfolio, or a portion of their existing portfolio. Where investors are switching a portion of their existing portfolio, a minimum balance of £10,000 will need to remain in the existing account, and a minimum of £10,000 will need to be switched across to the new portfolio.

Switches between the two FWHRE classes are a CGT event. Please see Section 3 of this FAQ for more details.

### 1.12. Can investors switch from FWHRE into another portfolio?

Yes. Please complete, sign and submit a Switch Form. Switching out requires a sale of underlying holdings which is a CGT event. (please see Section of this FAQ for more detail). Different fees may be applicable, depending upon the investment choice.

Where investors are switching a portion of their existing FWHRE account, a minimum balance of £10,000 will need to remain in the account, and the following minimums apply for the new accounts:

- Smart Income Sterling Portfolio: investors will need to switch a minimum of £25,000
- Smart Income Dollar Portfolio: investors will need to switch a minimum of \$30,000
- Smart Equity Portfolio: investors will need to switch a minimum of £25,000/\$30,000
- International Share Portfolios: investors will need to switch a minimum of £25,000. (Switches from FWHRE Class A into the Balanced Share Portfolio won't require a full sale of FWHRE shares as a portion of the Balanced Share Portfolio is invested in FWHRE Class A. Switches from FWHRE Class B will require a full sale.)

Please note the following about switches out of FWHRE:

- It takes 11-15 working days to process the FWHRE share redemptions, once all the necessary instructions have been received.
- Switch instructions need to be received 5 clear business days prior to the next FWHRE dealing day.
- Dealing takes place once a week, generally on a Monday using the price calculated with effect from the previous Friday.
- The redemption proceeds will be made available in 5-10 working days, following the dealing day, when trading on the new portfolio can start.

## 2. FWHRE details

### 2.1. How is FWHRE priced?

FWHRE is priced weekly.

- Cash: immediate
- REITs: priced daily in accordance with markets
- Direct property: each property is independently valued twice annually.

### 2.2. How often is each property valued?

The bank does a valuation on the acquisition of a new property. Thereafter a valuation is performed every three years.

The Fund has two independent property valuers - Knight Property (which does the valuations on properties based in the South of the UK) and Colliers (which values the properties based in the north).

All the properties are valued biannually - once on the anniversary of their acquisition, and again 6 months later. At the end of the Fund's financial year (in August) there is a requirement to have current valuations for each property. The valuers assess their last valuation to identify any movement in the valuation figure.

### 2.3. What is the risk profile of the product?

The risk profile is moderate to aggressive - this is because the reliable, consistent income from the REITs and direct property contributes to most of the return.

The reason we consider the risk to be moderate to aggressive is because of the following:

- Exposure to foreign currency.
- Impact of FWHRE properties being moderately leveraged.
- Impact of UK interest rate increases on the debt portion of the portfolio.

### 2.4. Would the cost of gearing be fixed?

Yes, partly. Interest rate hedging is considered on a routine basis with the objective of enhancing the predictability of the investment outcome for investors. To achieve this, the Fund aims to fix interest rates on a portion of the Fund's debt.

## 2.5. What does EPC stand for and what is it?

EPC is Energy Performance Certificate. The landlord is required to hold a valid EPC and can't enter into a new lease without one. They are valid for ten years, and the current minimum level in order to enter into a lease is an "E" rating. FWHRE has only A,B and C rated properties and there is an ongoing process of revising (and improving) the Fund's EPCs, as and when appropriate, not just when they expire.

## 2.6. If the REIT sector falls will the liquidity in FWHRE be sufficient?

The REITs included in the portfolio are highly liquid mid to large cap REITS. Therefore, whilst a falling REIT sector might impact prices, we don't foresee a problem in realising them for potential redemptions. We are also marketing the fund to a range of different investors with different investment timeframes in mind. As an example, pension funds/annuity funds are unlikely to make short term decisions based on market fluctuations. Please see the latest factsheet for current REIT levels in the Fund.

## 2.7. What are FWHRE's security identifier codes?

	<b>Class A Distributing</b>	<b>Class B Accumulating</b>	<b>Class C Accumulating (LISP only)</b>
ISIN (International Securities Identification Number)	IM00BZ1F5F87	IM00BFXBM318	IM00BFXBM425
SEDOL (Stock Exchange Daily Official List)	BZ1F5F8	BFXBM31	BFXBM42
Bloomberg tickers	FWHREPP:IO	FWHREBG:IO	FWHRECG:IO

OPOL (Official Place of Listing): TISE (The International Stock Exchange)

## 2.8. What tax does the fund itself pay?

The company is registered in the Isle of Man and is liable to Manx company tax at the rate of 0%. The Fund is not required to withhold taxes on the payment of dividends to shareholders and there is no Manx Stamp duty or Capital gains tax.

Net rental income (after finance and other costs) from a UK source is subject to UK Corporation tax at the rate of 25%. The company is entitled to apply for an exemption on gains arising from the sale of a property. There are withholding taxes on the income earned from FWHRE's investments in the REIT's; this is levied and withheld by the REIT's directly. The yield reflected on our website is net of withholding taxes.

## 2.9. What is the percentage of rental escalations per annum?

The UK lease environment works on a 5-year lease review. This means rentals are flat for 5 years, and then a cumulative 5-year adjustment is made in year 6. Escalations in the FWHRE leases are upwards only, and are dependent on market rentals prevailing at the time. The current shortage of distribution warehousing properties relative to new supply coming online, bodes well for rental growth in the future.

## 2.10. Are the FWHRE annual financial statements available?

Yes. The annual financial statements are available on our website, from our Client Relationship Team, or available on TISE.

## 2.11. How does FWHRE make provision for liquidity and client redemptions?

FWHRE invests approximately 75% of its portfolio in direct real estate which can only be realised in the medium to long term. Whilst the Fund also invests in listed REIT's to provide a reasonable level of liquidity, in certain circumstances it may be appropriate to limit redemptions to ensure the interests of existing investors are protected at all times. Consequently, the Offering Document allows the manager to limit the weekly redemptions to a maximum of 5% of the shares in issue, and also allows for the suspension of the determination of the net asset value, at the discretion of the manager, it is considered to be in the best interests of investors. For further information, please refer to the Offering Document.

Redemptions take 11-15 working days to process, once all the necessary instructions have been received. Withdrawal instructions need to be received 5 clear business days prior to the next dealing day. Dealing takes place once a week, generally on a Monday using the price calculated with effect from the previous Friday. Payment of the redemption proceeds will be made within 5-10 working days of the relevant dealing day.

### 3. Tax

**Neither Marriott, nor FIM Capital Limited, offer tax advice and any queries relating to tax should be directed to a registered tax practitioner.**

#### 3.1. What are the current Capital Gains Tax implications for a South African investor?

##### **Capital Gains Tax (CGT) - UK**

Changes to UK CGT came into effect on 6 April 2019 and, as a consequence, non-UK resident investors may be subject to UK capital gains tax on gains arising from a redemption of shares in the Fund, rebased to the value as at 5 April 2019, or the price at the date of purchase. Individual investors will benefit from annual individual UK CGT tax allowances (Annual Exempt Allowance) whether UK resident or not. This allowance will be utilised by any gains realised by an investor which are subject to a UK CGT charge, not just gains realised on the disposal of interests held in the Fund. This will include gains on all redemptions of shares made by an investor in the Fund, including quarterly redemptions made by certain classes of shareholders required to cover management and Advisor charges, should the gain be liable to CGT. A switch from one share class to another, will also be deemed a disposal and potentially liable for UK CGT. Where the investment is held in joint names, each party will benefit from the allowances.

Where applicable, investors will also be able to take advantage of specific Double Taxation Agreements in place between the UK and their respective country of residence. However, these will be investor-specific and individual tax advice may be required.

Please see more information for South African investors in the table below for the **UK tax year ending 05/04/2025**:

	UK CGT	UK Capital Gains Annual Allowance	% of UK CGT that can be deducted against SA CGT
Individuals	18-24% For more information, please see below links: <ul style="list-style-type: none"><li><a href="https://www.gov.uk/guidance/capital-gains-tax-rates-and-allowances">https://www.gov.uk/guidance/capital-gains-tax-rates-and-allowances</a></li><li><a href="https://www.gov.uk/capital-gains-tax/rates">https://www.gov.uk/capital-gains-tax/rates</a></li></ul>	£3,000	40%
Trusts	20%	£1,500	80%
Companies (Corporate Tax)	25%	None.	80%

Rates provided are indicative and investors should seek tax advice.

##### **Note:**

- Non-resident individuals disposing of non-residential property will be subject to capital gains tax at 18% or 24%, depending on their marginal rate.
- Individuals should have the Annual Exempt Amount available to them for CGT purposes of £3,000 assuming they had no other disposals attracting UK CGT in the same year, such as disposals of UK residential property.

For CGT base cost calculations as at 5 April 2019, the Class A share price was £1.1088 and the Class B share price was £1.1356.

For non-UK resident individual investors, there is no CGT reporting requirement unless the capital gain from the sale of shares in the Fund, together with any other capital gain due to HMRC, is in excess of the UK Capital Gains Tax Annual Allowance.

Should a disposal in the Fund result in a reportable capital gain (i.e. if it is in excess of the Annual Exempt Amount), a non-resident CGT return must be submitted to HM Revenue and Customs (HMRC) within 60 days of the date of any disposal of shares in the Fund. Automatic late reporting penalties will be applied by the HMRC. Please note that it is your responsibility to ensure that any necessary returns have been filed.

Non-UK resident corporate investors will have to notify HMRC of their chargeability to UK Corporation Tax within 3 months of the disposal if they make a relevant disposal, with the Corporation Tax return being due 12 months after the disposal. Any potential payment due date will depend on the quantum of gains made and therefore as with any other disposal investors should seek their own professional advice to clarify their position if necessary.

For more information, please see the links in the table above.

##### **FIM Capital Limited – service offering for UK CGT (for Individuals only)**

FIM Capital is willing to act as a tax agent to assist with the submission of returns etc only for non-UK resident Individual investors who hold no other interests in the UK that may be subject to CGT under this legislation.

Investors will be required to confirm to FIM Capital that they meet the above criteria and that they wish to take advantage of FIM Capital acting as their agent. However, please note that FIM Capital are unable to provide tax advice.

## Capital Gains Tax (CGT) - South Africa

When the underlying shares in the portfolio are sold a capital profit or loss will be realised. This will be taxed in accordance with CGT rates on assessment. Capital profit is calculated in hard currency and then that profit is translated into Rands on disposal. For foreign investors, CGT will be levied in accordance with the tax laws of your country of tax residence.

Transfers between spouses have a roll-over relief in terms of CGT. This means the transferee spouse assumes the same base cost as the transferor spouse, and CGT is only levied when the transferee spouse disposes of the assets. This doesn't apply however if the transferee spouse is a non-resident. If there is a transfer to a non-spouse, then there would be a deemed disposal with CGT.

For investors making use of the Marriott asset swap capacity, eg individuals and non-trading trusts (investment holding, passive income earning trusts), CGT is calculated in the same way as an investor not making use of our asset swap. Marriott is merely acting as an agent in the asset swap arrangement.

### How to calculate the deduction of UK CGT against SA CGT for SARS tax return purposes:

- A South African investor realised a capital gain of R100 and is subject to tax at a CGT rate of (for example) 18% in the UK. Accordingly, the tax payable in the UK is R18.
- If the South African investor also realised a capital gain of R100 calculated under the Act and is in the top marginal tax rate of 45% in South Africa, the tax payable in South Africa on the same R100 is R18 [(R100 x 40%) x 45%].
- In applying the section 6quat(1B)(a) formula and paragraph (ib) of the proviso to section 6quat(1B)(a), foreign taxes of R7.20 (R18 UK CGT x 40%) on the capital gain qualifies for a rebate against South African CGT due.
- Considering the above, R10.80 would be payable to SARS (R18 – R7.20), and the total tax cost in this example would be R28.80 (R18 + R10.80).

### 3.2. How should the income from FWHRE be declared to SARS by a South Africa investor?

All distributions are deemed to be foreign dividends. These are taxed at a maximum rate of 20% in South Africa. Only FWHRE Class A is a distributing class.

### 3.3. Is there foreign Withholdings Tax on dividends?

There is no foreign withholding tax on the foreign dividend declared by FWHRE.

Compared to an SA property investment where income is taxed at marginal rates, income from FWHRE is only taxed in South Africa at maximum 20% as a foreign dividend.

### 3.4. Are the two classes of shares treated differently in terms of tax?

	UK	SA	
	CGT	CGT	Income Tax
Class A (Distributing class):	The calculation is only based on capital element and not the income portion of the client's total return.		All distributions are deemed to be Foreign Dividends. These are taxed at a maximum rate of 20% in South Africa.
Class B (Accumulating class):	The calculation will strip out any income accumulated within the sale proceeds, leaving just the capital element.  From this figure the book cost is deducted (rebased to 05/04/2019 for all clients invested before this date) to show a net capital gain or loss. Original book costs will remain unchanged on the main valuation.	There is <u>no split</u> between the capital and income elements for SA CGT calculations.  Where fees are fully deducted by way of a repurchase of shares, although it is highly unlikely these repurchases will trigger UK CGT, the investor will still need to report these quarterly repurchases on their annual SA tax returns.	There is no distribution declared in this class, therefore no Foreign Dividends Tax is applicable.

## 4. Fees and Charges

### 4.1. What are the fees and charges in FWHRE?

#### Management Fees:

Investment Management fees are deducted quarterly in arrears from the designated income account for Class A (Distributing) Shares. Where the income account has an insufficient balance to cover the fees, the remaining portion will be deducted from the capital investment.

For Class B (Accumulating) Shares, the Investment Management fees are deducted quarterly in arrears from the capital investment.

Investment Amount	Total fee per annum, excluding VAT
<£49,999	0.75%
£50,000 - £99,999	0.70%
£100,000 - £249,999	0.65%
£250,000 - £499,999	0.60%
£500,000 - £999,999	0.55%
£1m - £1,999,999	0.50%
>£2m	0.45%

**VAT:** For clients based outside of the Isle of Man or UK, the Investment Management fee does not attract Isle of Man VAT (20%).

**Transaction Fees:** There are no transaction fees in the FWHRE.

**Other charges:** All other fees, including custody, banking and property management fees are deducted from the Fund and are accounted for in the NAV.

### 4.2. Can the Financial Advisor charge their client a fee?

Yes, a financial advisor may charge their client the following two types of fees:

- Annual Advisor Fee (AAF): Maximum 1% per annum of the market value of the portfolio.
  - Deducted (and paid) quarterly in arrears from the designated income account for Class A (Income) shares.
  - Where the income account has an insufficient balance to cover fees, the remaining portion will be deducted from the capital investment.
  - For Class B (Accumulating) Shares, AAF is deducted quarterly in arrears from the capital investment.
- Initial Advisor Fee: Maximum 3% of the investment amount.
  - Deducted from the investment amount received before trading commences on the investment account.
  - Payments to advisors are processed twice a month.

RSA VAT will be charged at the appropriate rate (15%), if the advisor is an SA VAT vendor, for SA-based clients.

### 4.3. Will advisors' Annual Advisor Fee (AAF) be paid by FIM Capital or Marriott?

The AAF will be deducted by FIM Capital and paid to Marriott who will then pay to the Financial Advisor. The AAF is paid from the client's income account for Class A (Income) shares, and for Class B (Accumulating) Shares, AAF is paid from the capital investment.

### 4.4. Can the Financial Advisor's commission be paid to an offshore account?

Yes. Commission can be paid to an offshore bank account if it is held in the name of the contracted Financial Services Provider.

The expected payment charges are as follows:

- Payment to UK bank accounts – £3.00
- Payment to non-UK bank accounts – £35.00

### 4.5. Are there any charges on withdrawals?

Bank charges may be incurred by the recipient for any forex handled before crediting the amount to your bank account. There is a £35.00 telegraphic transfer fee for all payments made to non-UK bank accounts. Payments charges to UK bank accounts are £3.00, except where the payment amount is in excess of £20,000 when the payment charge will be £35.00. There are no discontinuation fees.

### 4.6. Are there charges for having income payments made to a non-UK bank account?

Yes. There is a £35 telegraphic transfer fee for all income payments made to non-UK bank accounts.



## 5. Regulatory

### 5.1. Who is FIM Capital and how are they regulated?

FIM Capital Limited (FIM Capital) manage portfolios for private clients, institutions, trusts and corporations from its offices in the Isle of Man. FIM Capital is licensed by the Financial Services Authority (FSA) on the Isle of Man to conduct Investment Business, provide services to Collective Investment Schemes, act as Manager to FWHRE and sub-classes of Corporate Services.

### 5.2. Is FWHRE approved by the Financial Sector Conduct Authority (FSCA) for distribution in South Africa?

Yes. FWHRE is approved in terms of Section 65 of the Collective Investment Schemes Control Act 45 of 2002 for marketing and distribution in South Africa. FWHRE is accessed through a mandate with FIM Capital. The fund is listed on The International Stock Exchange and allows the normal weekly price to be quoted by the exchange. The listing however is not for trading purposes and all instructions and trades are still placed through FIM Capital. FWHRE has been approved as a Regulated Fund in the Isle of Man by the FSA and is subject to the Isle of Man Collective Investment Schemes Regulations.

### 5.3. Do financial advisors need to be registered for particular product categories on their FAIS licences?

Yes, financial advisors need to be registered for product category "1.14. Participatory Interests in Collective Investment Schemes" on their FAIS licence in order to submit business to the FWHRE. As per the Offering Document, the FWHRE is a collective investment scheme.

### 5.4. Is the FWHRE Offering Document the same as a Prospectus?

The Offering Document is similar to a Prospectus in that it is a formal document that outlines the details of the investment on offer to potential investors so that they can make an informed decision on investing.

### 5.5. Do clients receive share certificates?

No. Investments in FWHRE will be registered in the name of a custodian, however the client remains the beneficial owner.

## 6. Estate Planning

### 6.1. What is Probate?

Probate is a legal process which authorises someone to deal with a deceased person's assets. The authority is given in the form of a document called a Grant. Where a person dies leaving a valid Will and appointing an Executor, a Grant of Probate is issued to the Executor.

### 6.2. How does a Death Bed Donation or Joint Holdership assist with probate?

By electing a Death Bed Donation, on your death, or on the death of a joint holder, your right, title and interest in the International Investment Portfolio will pass to the nominated beneficiary. This donation is the permissible mechanism in South Africa for transferring ownership of South African citizens and foreign nationals with South African estates to the other individuals / joint investors. This donation also ensures the asset does not form part of an offshore Will, therefore international probate will not be applicable. If your spouse is the joint holder, the value of the investment will be exempt for Estate Duty purposes as RSA legislation currently permits unlimited bequests between spouses. Such spousal donations will not be subject to donations tax. If the joint holder is not a spouse, the value of the investment will be included in the RSA Estate for Estate Duty purposes.

By having a joint holder (joint tenancy), upon the death of one of the joint holders the investment will cede to the other joint holder. Joint holders are encouraged to complete a death bed donation to cover the event of their simultaneous death. However, if one of the joint holders wishes for their share of the investment to be donated to someone other than the joint holder (tenants in common), they will need to complete the individual death bed donation section. In this case, the Death bed donation nominations made by each joint investor will take precedence over the automatic transfer to the joint holder.

Please see the [Death Claim FAQ](#) for more details on the Death Bed Donation options, and the requirements for when an investor passes away.

Death Bed Donations are available to South African citizens and foreign nationals with South African estates.

### 6.3. Will my estate need to pay UK inheritance tax?

FWHRE is domiciled in the Isle of Man and is listed on TISE. For UK inheritance tax purposes the Channel Islands and the Isle of Man are outside the UK - the HMRC booklet on UK inheritance tax lists this exclusion for individuals not UK resident.

Investors are encouraged to seek independent tax advice suitable to their personal circumstances.



## 7. Reporting and Administration

### 7.1. What reporting will investors receive on their investment in this product?

We will provide clients (and/or the others they have nominated) with the following via email:

- Valuations (including statement of transactions and securities held) – biannually (dated 28 February & 31 August)
- Contract Notes on dealing (unless you have elected otherwise)
- Tax Report (Income Schedule) for Class A (confirms the income which has been received) – annually

### 7.2. What will clients receive to confirm their investment has been placed?

The Marriott Client Relationship Team sends clients an email confirming that their investment account has been opened, and provides the steps to register for online Secure Services. A Contract Note will be generated following each trade and sent to the client via email. Clients can opt not to receive contract notes.

### 7.3. Can a client view their investment online?

A feature of the FWHRE is that clients will automatically be provided with access to Marriott Secure Services, where they can view their portfolio online. Each transaction can be viewed on Secure Services.

### 7.4. Where should clients direct their queries?

All queries related to these investments should be directed to the Marriott Client Relationship Team on 0800 336 5555 or email [info@marriott.co.za](mailto:info@marriott.co.za). Marriott as the intermediary will facilitate the resolution of any problems with FIM Capital on behalf of the client and/or Financial Advisor.

Should you wish to make an additional investment into a different Class option, we will need to open a new account and this will require investors to submit a fully completed International Investment Mandate, along with notification of funds transfer.

## International Investment Mandate **How to Invest**

If you have any queries, please contact the Marriott Client Relationship Team on [info@marriott.co.za](mailto:info@marriott.co.za) or 0800 336 555.

### 1. Online, Telephonic and Form options

#### 1.1. Online Investing (OI)

Visit our website and click "Invest Now" on our landing page. If you are an existing Marriott client, please log in to Secure Services so your personal details can be pre-populated.

- **Step 1 (Investment Instruction) & Step 2 (Investor Details):** Complete the necessary details in the steps on-screen, providing the required information for all investors.
- **Step 3 (Review and Confirm):** Review investment details, accept the T&Cs and authorise the instruction.
  - Clients transacting on OI: The instruction can only be authorised via OTP (sent via SMS).
  - Advisors logged into OI: Choose one of three authorisation methods:
    - OTP - Sent by SMS to the client's cellphone number; best if the client is with the advisor; valid for 15 mins.
    - SMS - Client replies YES to an SMS from Marriott; valid for 1 hour.
    - PDF - Print out the pages; client will need to sign the document manually; the original document will need to be sent via courier to Marriott.
- **Step 4 (Upload):** Uploading supporting documents and additional forms:
  - SA Investors:
    - Verification of SA address and SA bank account will be done on your behalf.
    - If you completed an SA ID number, please upload a clear copy of your ID.
    - If you completed a passport number (including where you have dual citizenship), please upload a certified copy of your valid passport/s.
    - Please upload proof of banking if you are not using an SA bank account.
    - In some instances, we may still need to request supporting documents from you.
  - Foreign investors:
    - Upload the required supporting documentation as per the KYC Requirements Document.
    - Please upload proof of banking if you are not using an SA bank account.
  - W-8BEN Form: A partially completed W-8BEN Form will be made available to you once you reach the Document Upload screen. Please complete the outstanding details, print it out, sign it and then upload it or scan and email it back to Marriott. Please see Section 3.1. below for further details on completing this form.
  - Death Bed Donation (DBD) Form: The DBD Form will be made available to you once you reach the Document Upload screen. Please complete it, then it print out, sign it before two witnesses and arrange for the witnesses to sign. Then upload the form or scan and email it to Marriott. Please see Section 3.2. below for further details on completing this form.
  - If you are not able to upload any of the documents and forms, they may be scanned and emailed to us.
- **Payment:** Please do not make payment until we have confirmed your account is open - unidentified deposits risk being returned to the payer. Only once Marriott has confirmed that your investment account is open should you instruct your bank to transfer funds as per the details which will be made available to you via our secure online method.

#### 1.2. Telephonic Investing (OI)

Clients and advisors can call our Client Relationship Team on +27 (0)31 765 0700 or tollfree on 0800 336 555 (Mon-Fri 8am-4pm).

- **Investment Information:** We will ask you for all the relevant information necessary for the investment.
- **Authorisation:** Clients will authorise the instruction via SMS (valid for 1 hour), or a PDF will be emailed to the client/FA (print out, client to sign manually, and the original document will need to be sent via courier to Marriott).
- **Supporting documents and additional forms:**
  - SA Investors:
    - Verification of SA address and SA bank account will be done on your behalf.
    - If you completed an SA ID number, please email us a clear copy of your ID.
    - If you completed a passport number (including where you have dual citizenship), please email us a certified copy of your valid passport/s.
    - Please email us proof of banking if you are not using an SA bank account.
    - In some instances, we may still need to request supporting documents from you.

- Foreign investors:
  - Please email us the required supporting documentation as per the KYC Requirements Document.
  - Please email us proof of banking if you are not using an SA bank account.
- W-8BEN Form: A partially completed W-8BEN Form will be emailed to you. Please complete the outstanding details, print it out, sign it and then scan and email it back to Marriott. Please see Section 3.1. below for further details on completing this form.
- Death Bed Donation (DBD) Form: The DBD Form will be emailed to you. Please complete it, print it out, sign it before two witnesses and arrange for the witnesses to sign, and then scan and email it back to Marriott. Please see Section 3.2. below for further details on completing this form.
- **Payment:** Please do not make payment until we have confirmed your account is open - unidentified deposits risk being returned to the payer. Only once Marriott has confirmed that your investment account is open should you instruct your bank to transfer funds as per the details which will be made available to you via our secure online method.

### 1.3. Investing using an Application Form

Visit our website to download and print out the International Investment Mandate (the link to the Forms page is under the Quicklinks menu).

- **Forms:** Complete the International Investment Mandate (Application Form), as well as the additional forms attached to the application (W-8BEN and Death Bed Donation Form - please see Section 3 below for further details).
- **Supporting documents:** Prepare supporting documentation - please refer to the KYC Requirements Document (included in the Application Form). Along with KYC documents, we may require proof of your banking details.
- **Submitting:** Please submit a scanned copy of your Application Form and supporting documentation to Marriott for checking. Our Client Relationship Team will confirm whether there is anything outstanding. Once all is in order, please send us the original Mandate and supporting documents via courier to Marriott: Marriott Investment Managers, 2 Delamore Road, Hillcrest, 3610, South Africa.
- **Payment:** Please do not make payment until we have confirmed your account is open - unidentified deposits risk being returned to the payer. Only once we have confirmed that your investment account is open should you instruct your bank to transfer funds in accordance with the details set out in the Mandate.

## 2. Supporting documents

Supporting documents for your investment include: Evidence of Identification, Evidence of Permanent Residential Address, and Proof of Banking Details.

Please see Section 1 for details on how supporting documents will need to be submitted, as it is dependent on your method of investing - Online, Telephonic or using the Application Form.

- **If you have chosen to use the Application Form method of investing, all supporting documents will need to be submitted as originals.**
- **The certification requirements for document copies are very particular.** Please refer to our KYC Requirements document for full details on who is suitable to provide certifications, as well as the certification wording and details needed from the certifier.
- **Evidence of Identification and Permanent Residential Address.** Please refer to the KYC Requirements Document for guidance on what type of documents can be used for Identification and Verification purposes.
- **Proof of Banking Details** - a recent bank statement
  - The proof of banking does not need to be certified.
  - Must be dated within the last 12 months and bear the investor's own name.
  - Completion of the banking details and proof of banking is mandatory for all investments; no payments will be made to third parties or to credit cards.

## 3. Additional Forms

### 3.1. W-8BEN Form

The W-8BEN Form is the principal document for non-US investors to complete to enable US securities to be held in their investment portfolio with FIM Capital. This will ensure that the correct level of withholding tax is deducted from dividend payments made.

The US Internal Revenue Service encourages non-US financial institutions holding US securities on behalf of clients, to become Qualified Intermediaries (QI). A 'QI' assumes responsibility for establishing whether or not their clients are entitled to a reduced level of withholding tax from dividend payments made by US companies and making any necessary claim each year. In return, the QI undertakes to carry out appropriate client compliance checks and assumes responsibility for submitting a pooled withholding tax return to the IRS annually, without the need to submit individual client information. FIM Capital is a Qualified Intermediary.

- Please see Section 1 for details on how you can access the W-8BEN form, and how it should be submitted, as it is dependent on your method of investing - Online, Telephonic or using the Application Form.
- All sections of the W-8BEN form must be completed.
- Where there are joint investors, each investor must complete their own W-8BEN form (a stand-alone W-8BEN form is available on our website forms page).
- Entity investors need to complete a "W8-BEN-E" form which is attached to the Entity International Investment Mandate.

### 3.2. Death Bed Donation Form

- Death Bed Donations are only available to individual investors, not to Entities or Trusts.
- Death Bed Donations are only available to South African citizens and foreign nationals with South African estates.
- Please see Section 1 for details on how you can access the Death Bed Donation form, and how it should be submitted, as it is dependent on your method of investing - Online, Telephonic or using the Application Form.
- Investors must complete all relevant sections of the form.
- **Please ensure that all signatures are signed in full (no initials) on every page of this form, regardless of whether you are completing the form as an individual investor or as joint investors.**
- **Nominated beneficiaries may not act and sign as witnesses on this donation form.**
- Please refer to the Death Bed Donation Form and FAQ Document for more information.

## 4. Additional Information

### 4.1. KYC Requirements

- Our comprehensive KYC Requirements Document provides all the necessary information and details about the Identification and Verification documentation needed for all investor types - Individuals, Entities and Trusts.
- There are also specific instructions on how documents must be certified e.g. who can certify documents, wording to be used by the certifier, details of what the certification must include.

### 4.2. Source of Funds & Source of Wealth

- FIM Capital review this information on a case-by-case basis as per their compliance procedures.
- To assist with ensuring this process is as smooth as possible, please provide the necessary details as prompted on the Online Investing screens, or as requested during Telephonic Investing, or as per the details on the Application Form.
- In some cases, additional information and/or documentary evidence may be requested from you, subsequent to your investment instruction being submitted, to further support an application.

## 5. Making payment for your investment

### 5.1. When to make payment

- Please only make payment to FIM Capital once Marriott has confirmed all is in order with your application and that your investment account is open.
- Please check all account details are correct at the time of payment, especially that beneficiary account details have been included, as payments to incorrect or incomplete account details could result in delays in the investment being placed.

### 5.2. Assistance with forex and remitting funds offshore

We are able to offer you the third party services of Charter Forex and Sable FX who will assist you in transferring your investment amount offshore. Charter Forex and Sable FX are both independent financial services companies which assist individuals with all requirements in the process of transferring money out of and into South Africa.

#### Charter Forex:

Please complete the form available on our website and submit a copy to us. Please email the Form along with your Tax Clearance Certificate to Charter Fiduciary Administrators. For more information please contact Charter Forex directly: [www.charterforex.com](http://www.charterforex.com), 086 111 3885, [info@charterforex.com](mailto:info@charterforex.com).

#### Sable FX:

Please complete the form available on our website and submit a copy to us. Please email the Form along with your Tax Clearance Certificate to Sable FX. For more information please contact Sable FX directly: [www.sableinternational.com](http://www.sableinternational.com), 031 536 8844, [saforexdbn@sableinternational.com](mailto:saforexdbn@sableinternational.com).

### 5.3. Referencing deposits

- New investments - Surname and Initials / Account Number.
- Additional Investments - Surname and Initials / Account Number.

Please inform our Client Relationship Team once you have made payment. Please note Marriott and FIM Capital cannot accept responsibility for unidentified funds and reserves the right to return monies to their source.

### 6. Using Marriott's Asset Swap Capacity

South African investors can utilise Marriott's asset swap capacity to invest. There is no charge for using this facility. In addition to the completed investment instruction (Online, Telephonic or Application Form) and supporting documents, the investor must submit the completed and signed **Asset Swap Mandate**. This is available from the Client Relationship Team and on our website. Please note that making use of Marriott's asset swap means that the investor will be subject to Marriott's FICA review and compliance requirements.

Once we have confirmed that all required documents have been received, the investor may then make payment to the Marriott bank account below. Please note funds must be paid to the following Marriott bank account, and not the bank details listed on the International Investment Mandate.

Banking Institution: First National Bank  
Account Name: Marriott Asset Management Pty Ltd - Cash Management Trust Account  
Branch: RMB Corporate Banking - Durban  
Branch Code: 223626  
Account Number: 50854611131  
Reference: "Investor Surname and Initials / Account Number"

When we have received the funds, we will be able to start the offshore payment process:

- We will apply to our bank to remit the funds offshore.
- Our bankers will then do the necessary SARB clearance application.
- Once the clearance has been received the monies will be remitted offshore.

The account will be held in the name of "Marriott Asset Management – Investor name" as this investment is via our asset swap. Withdrawals from your investment will be paid via Marriott's bank account and then on to your own South African banking details.

### 7. Additional Investments

If the additional amount is intended for the same portfolio, we will require an instruction via one of the following methods:

- Online Investing: Login to Secure Services via our website and complete the required information.
- Email: An email may be sent (from the investor's own email address as held on record), notifying us of the transfer of funds, and stating the Source of Funds for the additional amount. (This option is not available for additional investments into FWHR - please use a form or the Online Investing option).
- A completed and signed Additional Investment Form (available on our website).

Please inform our Client Relationship Team once you have made payment.

Should you wish to make an additional investment into a different portfolio option, you will need to open a new account and this will require investors to submit a fully completed International Investment Mandate (Online, Telephonic or Application Form).