

APPLICATION FORM

Please complete the following form in full and return along with the additional documentation highlighted in the Terms & Conditions section below to info@whiteinvestments.co.za. Important Information:

1. All sections of this form must be completed in full and in ink.
2. Please include all relevant support documentation as per checklist below.
3. Please ensure that you sign and date the form once completed.

PERSONAL DETAILS MAIN ACCOUNT HOLDER

Title (Mr, Ms, Mrs, Other): _____

First Name(s): _____

Surname: _____

Date of Birth (dd/mm/yyyy): _____

Nationality: _____

South African ID Number: _____

Passport Number (Foreign nationals): _____

Tax reference number: _____

Postal Address: _____

Postal Code: _____

Residential Address: _____

_____ Code: _____

Telephone Number: _____

Mobile number: _____

E-mail Address: _____

DETAILS OF PERSON(S) AUTHORISED TO ACT ON BEHALF OF THE MAIN ACCOUNT HOLDER AND ENTER INTO A BUSINESS RELATIONSHIP WHITE INVESTMENTS: (If more than 1 person please complete copies of page 2 for each individual)

Capacity (Parent, Guardian, Grandparent): _____

Title (Mr, Ms, Mrs, Other): _____

First Name(s): _____

Surname: _____

Date of Birth (dd/mm/yyyy): _____

Nationality: _____

South African ID Number: _____

Passport Number (Foreign nationals): _____

Tax reference number: _____

Postal Address: _____

Postal Code: _____

Residential Address: _____

_____ **Code:** _____

Telephone Number: _____

Mobile number: _____

E-mail Address: _____

SERVICE REQUIRED FOR YOUR TAX FREE SAVINGS SOLUTION (Please tick as appropriate)

A: Advisory & Intermediary

- You will receive an initial investment proposal for your Tax Free Savings Account at the stated initial flat fee.
- The duty to manage and monitor the account on an ongoing basis remains your responsibility.
- White Investments will not monitor, adjust or report back on the performance of your TFSA.
- You can opt for a review at any time you require at our going hourly advice rate.

B: Discretionary

- You will receive an initial investment proposal for your Tax Free Savings Account at the stated initial flat fee.
- You will employ White Investments to manage and monitor the account on an ongoing basis on your behalf.
- White Investments will monitor and adjust your portfolio over time where necessary in accordance with your mandate.
- White Investments will report back on the performance of your TFSA on a formal basis at least once a year.
- To opt for this service you will need to give White Investments full discretion to act on your behalf by signing a Client Mandate to this effect.

Source of Funds:

Salary	Transfer from another FSP	Savings
Bonus	Inheritance	Other

(If other specify: _____)

DETAILS OF EDUCATION INSTITUTION(S) TO TARGET AND THE LEVELS OF EDUCATION YOU WANT TO INCORPORATE

School(s) of preference to target:

Primary (Grades R -7)	Include Boarding –	Yes	No
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Secondary (Grades 8-12)	Include Boarding –	Yes	No
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Tertiary (3 year undergraduate)	Include Boarding –	Yes	No
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Current existing savings:

Primary _____

Secondary _____

Tertiary _____

Expected Contributions:

Please select the preferred contribution type (regular or lump-sum) & state if you have an ideal or affordable contribution rate you wish to make. White Investments can then include an illustration of how you could potentially see your portfolio accumulate over time when compiling the IPD.

Regular monthly (Maximums apply) _____

Lump-sum (Maximums apply) _____

RISK PROFILE ASSESSMENT QUESTIONNAIRE

Please mark the most appropriate option for each question.

SECTION A: Time Horizon & Investment Objective

1. How far into the future is your investment objective?
 - (i) Less than 1 year
 - (ii) Less than 3 years
 - (iii) Between 5 and 10 years
 - (iv) Between 10 and 15 years
 - (v) Greater than 15 years

2. When you begin to access your capital will you:
 - (i) Withdraw it all in one go
 - (ii) Withdraw it over a period less than 1 year
 - (iii) Withdraw it over a period of 5 -10 years
 - (iv) Withdraw it as needed over a period likely to be greater than 10 years

3. Which best describes your investment philosophy:
 - (i) I like to actively trade the market in search of short-term gains
 - (ii) I am a buy and hold investor and am prepared to ride out the market fluctuations as I believe prices will rise over the long term
 - (iii) I invest to maximise my income with as little risk to my capital base as possible
 - (iv) I do not have a strong opinion regarding investment philosophy

SECTION B: Risk aversion

1. As a proportion of your overall investment 'pot' how much does this intended investment represent?
 - (i) Less than 10%
 - (ii) Between 10 and 25%
 - (iii) Between 25 and 35%
 - (iv) Between 35 and 50%
 - (v) Greater than 50%

2. Which of the following average annual return ranges from a portfolio of investments would you be most comfortable with (Initial value of portfolio R200,000.00):

	Average Expected Return	Top Expectation	Bottom expectation	Possible range
Portfolio A	R 212 000.00	R 224 400.00	R 199 600.00	R 24 800.00
Portfolio B	R 225 200.00	R 315 600.00	R 134 800.00	R 180 800.00
Portfolio C	R 213 600.00	R 255 200.00	R 172 000.00	R 83 200.00
Portfolio D	R 218 400.00	R 277 200.00	R159 600.00	R117 600.00

3. If you experienced a loss of 15% of your investment would you
 - (i) Sell immediately and steer clear of investments with any risk to capital in the future
 - (ii) Sell if you suffered a further 10% loss and look to buy in cheaper
 - (iii) Hold on to your investment regardless of short-term fluctuations as you are invested for a long-term objective

4. If the market sold off and you suffered a short-term paper loss equating to a third of your invested capital
 - (i) It would severely impact your ability to maintain your current lifestyle and derail your entire investment plan
 - (ii) You would have some sleepless nights but it would not necessitate a change to your lifestyle or your long-term investment plan
 - (iii) You would commit further capital as it would present an excellent entry level

SECTION C: Investment Experience

1. Which best describes your situation:
 - (i) I have no previous investment experience
 - (ii) I have no interest in investments and I have always paid someone else to manage my financial affairs for me
 - (iii) I understand the principles of investment well but cannot afford the time needed to manage my own affairs effectively
 - (iv) I have a very proactive interest in managing my own financial affairs

2. How would you describe your investment knowledge/intelligence:
 - (i) Poor
 - (ii) Fair

- (iii) Good
- (iv) Excellent

3. How long have you been actively investing on your own behalf:
- (i) I have not previously managed any of my own investments
 - (ii) Less than 2 years
 - (iii) Greater than 5 years
 - (iv) Greater than 10 years
4. How would you describe your investment performance:
- (i) Below average
 - (ii) Average
 - (iii) Above average

Additional Comments:

CLIENT NAME

DATE

SIGNATURE

CLIENT ADVICE DECLARATION – SINGLE NEED

(See Section E in Appendix)

In terms of Section 8(4)(a) of the General Code of Conduct:

I, the undersigned, hereby confirm that I have sought financial advice and/or a financial product from:

Dominic Josef White trading as White Investments
(Hereinafter referred to as White Investments)

Licensed FSP 43618

I confirm I have been informed that White Investments must, prior to providing a client with advice and/or selling a product,

- obtain from the client appropriate and available personal and financial information and conduct an analysis, based on that information, for purposes of the advice, and,
- take reasonable steps to ensure that the client understands the advice and/or product and that the client is in a position to make an informed decision.

CLIENT NAME

DATE

SIGNATURE

Terms & Conditions:

A: The White Investments Education Savings Solution Fees

We aim to charge a fair rate for advisory work undertaken and are fully transparent on all fees. In order to lower the cost to our clients we have standardised certain services. We are able to do this because the workload involved is similar in nature and this allows us to provide the service in a streamlined manner without unnecessary costs of meetings or excessive individual analysis.

The Education Savings Solution standard flat advice fee is available in our latest brochure on the website or give us a call. If you would like to plan for multiple children simultaneously and with the same education institutions please contact us so we can arrange a discount. For more information on our advice fee structure please visit our [website](#).

The upfront fee is payable upon delivery of the Investment Proposal Document.

This fee includes all work that White Investments conducts to provide you with the initial Investment Proposal Document. This fee excludes ongoing administrative platform fees, or underlying fund management fees which you will pay to the service providers we use to implement your strategy. All fees will be highlighted in the Investment Proposal Document (IPD) and full transparency is ensured.

White Investments will help with the initial implementation of the strategy if it is done within a period of 3-months from the date of issuance of the IPD, otherwise a further consultation may be necessary to adjust the figures and update the inputs accordingly.

The initial advice fee covers the work involved in providing you a strategy and does not include the ongoing monitoring of the investment. It is your responsibility to ensure that you make the necessary funds available and monitor the progress of the investment over time. A successful plan will take patience and discipline and White Investments will remain available to consult with at the hourly rate.

If you would prefer to have your plan monitored by White Investments on an ongoing basis then you will have to sign a mandate and we will levy an ongoing annual fee calculated as a percentage of assets under management (Typically 1% ex VAT).

C: The Proprietary Financial Model we use for the calculations

Financial models are designed to provide an illustration based on certain prescribed inputs or assumptions (Asset class return expectations, asset allocation decisions, investment time horizons and inflation expectations). White Investments can neither predict nor control market returns, so these figures represent our best efforts at showing potential outcomes rather than making any factual statements.

The financial modelling that we undertake for this investment proposal is simplified by using a constant average annual return for the broad asset classes that make up the portfolio. In reality asset prices fluctuate and while annual returns may average a certain level over time, the discreet annual investment returns are likely to comprise years of positive and negative returns.

The model does not account for taxation within its assumptions. Tax laws are subject to change and are the appropriate level of taxation will differ from one client to the next.

The process and model we use aims to have the full cost of education paid for by the start of the education phase. This means that if we calculate Secondary School to cost R500,000 then the model will provide a savings strategy that will aim to have the full amount (R500,000) at the start of the Grade 8 school year.

While this will provide a more conservative estimate (higher required contributions) it will also provide some cushioning against unexpected outcomes like lower investment returns or higher inflationary expectations. Most schools offer a small discount (usually 5%) for paying the annual fee in full at the start of the year and this strategy will facilitate being able to take advantage of this.

The model only accounts for the cost of tuition (and boarding if included in the initial application process). There are commonly other fees which can fall under all sorts of categories like development levy, special projects, entrance fees, stationary etc which parents and or guardians must account for as additional expenses. Other obvious additional expenses would be uniforms, sports equipment and extra-curricular activities or tours.

This is not a guaranteed investment product. Your strategy is likely to incorporate exposure to equity markets and listed property investments which fluctuate in value over time. As with all forms of investment planning, you will need to monitor and potentially adjust your plan during the life of the investment.

D: Investment Proposal Document (IPD)

Once you have applied for the service & agreed the payment terms, we will issue you with an IPD. This document will serve as the formal record of advice between you and White Investments. It will provide comprehensive details on objectives, investment strategy, risks, fees and costs at all levels and recommendations on funds and platforms to use. Please read this Investment Proposal Document fully and make sure you understand all aspects of your plan.

E: Single Need Declaration versus Full Financial Needs Analysis

The Treating Customers Fairly (TCF) regime for the financial services industry is aimed at ensuring that you, the consumer, can have confidence in the advice you receive and the financial products you buy.

Some of the key outcomes are:

- White Investments must ensure that treating you fairly is central to the culture of our business. The outcome requires White Investments to render financial services honestly, fairly, with due skill, care and diligence.
- The financial services and products that White Investments recommends must be designed to meet your needs. To achieve this outcome, White Investments must do due diligence tests on both the product provider and the products. This outcome also requires White Investments to understand your financial situation and needs, and to know which products will be suitable for your needs.
- White Investments must provide you with clear information and explanations, and must update you with relevant information after the financial service has been rendered.
- White Investments must ensure that you actually understand how a product works and what it aims to achieve. All material facts about a product or service must be accurately and properly disclosed to you.
- White Investments must ensure that our advice is suitable and takes account of your circumstances. This includes collecting information about your financial situation, your experience of financial products and your financial objectives.
- The products you use must perform in the way that White Investments told you they would. White Investments must check the product's past performance and expected future performance. White Investments must ensure that a company provides service of an acceptable standard.
- The products White Investments recommends must not have unreasonable after-sale barriers that prevent you from changing the product, switching product providers, submitting a claim or lodging a complaint.

White Investments is fully committed to providing a service that puts you first.

Of course undertaking a full financial needs analysis involves you providing all your personal information including employment status, salary, net wealth, outstanding debts, risk products owned (insurance), retirement provisions, other investments and other personal information that will allow us to conduct such a full needs analysis.

This process will of course necessitate a lot more analysis and work, and we will need to charge you accordingly for this extra time.

We are of the opinion that in the spirit of providing certain services to the benefit of the consumer, which include the Education Savings Solution, that it is enough to consider your position in terms of what you are trying to achieve for the specific objective you have approached us for. We however therefore require that you sign the **SINGLE NEEDS DECLARATION**.

This does not mean we have not gathered the information required to make your education savings plan very much relevant to you and provide you with the best opportunity of success. It simply means we will not try and include all other aspects of your financial planning requirement in addition to this specific objective.

If at any point in time you would like us to incorporate this specific objective into an overall financial plan and are willing to undertake the process in full and provide all of the information required then please let us know and we will happily conduct a thorough needs analysis for you.

F: Purpose of the risk assessment

This risk assessment questionnaire is aimed at better understanding your investment experience, objectives as well your willingness and capacity to accept risk.

It is not an attempt to profile you or to classify you as a specific type of investor. It will be used in conjunction with other financial information that you supply to ensure your investment strategy meets your objectives.

Education and background

Understanding risk and what is meant by risk is essential in determining an appropriate investment strategy and in managing your own expectations when it comes to investing.

The concept of risk is difficult to define as it encompasses a broad range of notions and can mean different things to different people depending on individual experience and circumstance.

The only thing we can say with absolute certainty when it comes to risk is that we would all prefer less of it while not having to sacrifice any long-term return potential.

It may be helpful to consider risk in three ways:

- (i) **Your tolerance for risk** – this represents the emotional extent to which you experience a change in the value of your investments. It is essentially the level of risk you would prefer to take or your **willingness** to accept risk.
- (ii) **Your capacity for risk** – This refers to the **ability** to take on a specified level of market risk. It is the capacity to soak up short-term price movements that deviate from expectations without causing a significant reassessment of your long term financial plan.
- (iii) **The risk you are required to take** – This represents the amount of risk you will **have** to take in order to meet your objectives. Even though you may have a low tolerance for risk you will probably not meet your objectives by investing in cash and bonds delivering 6.4% a year on average.

Your investment strategy should encompass a balance between all three of these concepts but it should in the first instance ensure that you can generate the required investment returns to meet your objectives rather than to meet your tolerance for risk.

Types of risk to be aware of:

- (i) **Volatility** – This is the most common expression of risk and is typically measured by a standard deviation. **It is essentially a measure of the risk of an asset falling in value.** In short if an asset class or market has delivered an average return of 10% over the last 10 years and has a volatility or standard deviation of 5% over that period then the range of expected returns from the asset class should fall between 5% and 15% a little over two-thirds of the time. It is important to note that this represents an average expected return and range but over shorter time periods you can experience much greater gains and losses to reach this average.
- (ii) **Shortfall risk** – the **risk of an asset not growing quickly enough to meet your objectives.** It is the risk that you do not gain enough exposure to assets that will deliver a high enough return to achieve your financial goals. If you are investing for retirement in 20 years time and you require a return of 12% a year based on your initial capital plus additional contributions then you run the risk of not achieving this objective if you invest solely in cash and bonds which historically only provide an average return of 6.4% a year.
- (iii) **Inflation risk** – All financial plans imply a rate of inflation when assessing what your income requirements will be by the time you retire. In most cases this inflation rate will be based on a broad basket of goods such as the Consumer Price Index and is usually a reflection of historic levels of inflation.

Of course forecasting inflation 20 years or more in advance is not a particularly accurate past time but you should be aware that if you use a 6% inflation rate to project your annual cost of living when you retire in 20 years time and the realised inflation rate is actually 9% then you are likely to experience a significant shortfall in retirement savings relative to your original plan.

By monitoring inflation and having a focus on REAL RETURNS (after inflation) from your investments you can mitigate this risk to a large extent over the long term.

Factors that impact on risk appetite:

- (i) **Time horizon** - Essentially the longer your investment time horizon the better placed you are to sustain any short term fluctuations in market prices. Even some of history's greatest market "crashes" can appear a mere blip on a long-term chart. Basically you can take on the supposedly riskier assets such as equities and ignore the short term market moves while you capture the long term benefits of greater average or expected returns. (This is all very simple in theory but it takes discipline and patience to implement in practise when you actually experience significant paper losses).

If you are investing for a period of three years then you cannot afford to suffer years where you can lose up to 30% of your capital as you will possibly not be able to ride out the inevitable recovery.

- (ii) **Size of existing investment pot** - If your existing investment 'pot' or portfolio is already large (let's say 50% of what your 10 year goal is) then you can afford to take on much less risk as you will require a lower average annual return to achieve your goal.

Of course in this case your capacity to take on more risk is also greater because you can suffer some of the more severe short-term fluctuations without ruining your chances of successfully reaching your objective.

- (iii) **Emotions** - One of the biggest single hurdles investors face is overcoming their emotions when it comes to investing. Emotion driven investing can have disastrous consequences - typically investors have a greater appetite for risk when things are going well. If equity markets have gained 30% in a year, most investors feel more comfortable adding risk and tend to buy at higher and higher price levels. Conversely when markets go on sale and fall by 30% investors tend to stand back from the market or even consider selling some positions.

By having a better understanding of your own concept of risk and by being aware of the potential types of risk you can be exposed to, you should be better equipped to combine your willingness and capacity for risk into a successful strategy that meets your required returns.