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Reg nr: 1997/001491/07 FSP nr: 640

Approved Discretionary Financial Service Provider

CLIENT DISCLOSURE FORM

(July '15)

GENERAL:

There are many investment opportunities available to Investors. They range from fixed deposits at banks and certain unit trusts, which generally have a low risk profile with smaller returns when compared with investments in the stock market. An investment in the stock market, which is an investment in equities, is usually associated with a medium risk profile with potentially higher returns derived through the establishment of a personalised portfolio of JSE shares or unit trusts with an investment manager.

Depending on the size of your initial investment capital you may select a unit trust portfolio or a personalised stock market portfolio. At Xenium Financial Managers, we are registered to provide other financial instruments such as derivatives, money market instruments, bonds, secured debt etc. although we specialise in equity portfolios. The manager will select among the top unit trusts or top shares on the JSE for your personalised portfolio.

FINANCIAL CIRCUMSTANCES and RISK PROFILE:

Investments product selection is relative to the financial circumstances and risk profile of each client. General risk profiles are mentioned in relation to financial instruments below. Medium to high risk instruments should be avoided when such investment funds are required for specific commitments and especially within a short time horizon. In general the reduction of a clients debt should take preference over investments.

WHAT WE DO:

Xenium Financial Managers has over 15 years experience in the market and we aim to beat the market benchmark by selecting potentially better performers among the top shares (unit trusts) and eliminating potential under performers. The manager would regularly re-evaluate the selection and make changes as required. Timing is important in the investment process to achieve enhanced returns. We always aim to buy low and sell high. Depending on the expected growth of the market, the weights of cash and shares in the portfolio might differ and be adjusted according to expectations.

MINIMUM INVESTMENT VALUE:

The Minimum investment value for Unit trusts is:

Lump sum: R 20 000

Debit order: R 500/month

The Minimum investment value for Equity Portfolio's is:

Equity portfolio: R50 000 (R 100 000 is preferable)

Hedge Funds: R 100 000

POTENTIAL RETURNS:

The historic returns of the JSE Top 40 Index have been remarkable. Over the last 10 years the average growth of the JSE has been slightly below 18% compounded yearly, including an average of 3% dividend yield. This was achieved despite a very negative return during 2008/9 with the global financial crises. Some years the market may return much more than the yearly average of 18% while during negative market conditions the returns may be negative. Returns of general unit trusts are similar to that of the top shares of the JSE.

RISK:

There are various risks associated with investing. Primary of these is market risk associated with negative movements. Other risks include Liquidity risk (reduced by generally using more liquid shares and trusts), interest rate risk (not generally a major factor in equity investments), settlement risk (reduced via JSE systems), counterparty risk (reduced via JSE settlement), default and theft risk (reduced via regulations, compliance, monitoring, insurance and investor protection and related funds). **Xenium Financial Managers also holds: Professional indemnity Insurance.**

XENIUM FINANCIAL MANAGERS (XFM)

Xenium Financial Managers is an FSB approved asset manager for Category I, II and sub registered for Equities, Money market products, Bonds, Debt instruments, Warrants, Derivatives, CFD's, Collective investment schemes. Xenium Financial Managers is licensed by the FSB (License Nr 640) to provide Advisory, Intermediary, Discretionary and Hedge Fund Services.

EXTERNAL SERVICE SUPPLIERS

XFM may use external Financial service suppliers including JSE of SA, BESA, SAFEX and other Exchange member Firms as well as other National and international Financial service suppliers and the election of such external service suppliers are at the sole discretion of XFM. Details of such service suppliers including contact details and Compliance is available to clients.

External service supplier: Online Securities. (JSE Member Firm)

Trading, administration and custody of securities and financial instruments.

DIRECTOR: DANIÉL IZAN DE BRUIN

Tel : 011 996 5200, Fax: 011 996 5499, e-mail: info@psgonline.co.za

Po box 1899 Witkoppen 2068, The Campus, 57 Sloane street Bryanston 2195

Compliance officer: Elna Britz compliance@psgonline.co.za

Xenium financial Managers has zero shareholding in Online securities, while more than 30% of total turnover has been from this company.

COMPLAINTS & OMBUD

We welcome positive as well as negative comments. Please feel free to discuss complaints with your consultant or the management or Compliance officer of Xenium Financial Managers. We urge clients to make complaint in writing. Xenium Financial Managers is committed to deal with and resolve complaints with fairly, urgency, with discretion and confidentiality. Complaints are best handled when made in written or electronic format.

Complaints not resolved may be escalated to the Ombud for Financial Services Providers.

Tel: 012 470 9080 Fax: 012 348 3447 E-mail: info@faisombud.co.za FAIS OMBUD Po Box 74571 Lynwood Ridge 0040

FINANCIAL PRODUCTS

In the operation of the account Xenium Financial Managers may place or advise on all categories and sub categories of financial products as depicted in the mandate. Following is a brief description of these products. Xenium Financial Managers is licensed to offer and supply Advisory, Intermediary, Discretionary and Hedge fund services. As such XFM is registered under Category I, II and IIA. With the following sub categories under each category: Securities and instruments: Shares in a company other than a "share block company" defined in the Share Blocks Control act, 1980, Money Market instruments, Debentures and Securitised Debt, Warrants, certificates and other instruments acknowledging, conferring or creating rights to subscribe to, acquire, dispose of or convert securities, Bonds, Derivative instruments, Participatory interest in one or more collective investment schemes.

ADVISORY

Financial Advice: This include the advice in relation to the selection of general financial product classes (General advice) as well as specific advise on financial products.

General Advise: Relates to the selection of General financial product classes which is often related to the perceived risk of the individual client.

Specific Advice: The investor should be aware that there are thousands of specific financial products within the various asset classes including shares, bonds, warrants, derivatives and others, making it impossible for an advisor to have knowledge of everyone of these products. The advice should therefore be regarded as subjective and a general guide rather than an absolute forecast or prediction. On the mandate advisory service is indicated by "With prior consultation".

INTERMEDIARY

Intermediary services would include the execution and settlement of transactions and other related services of custody, corporate actions, arrange gearing, leverage or carry accounts facilities and others. Such services are indicated and implied by the mandate for both Advisory or Discretionary mandates.

DISCRETIONARY

Discretionary services imply the management of discretionary portfolios among the stated financial products. This implies that the client has given the Manager authority to decide on the specific financial product and value of such within the portfolio.

On the mandate this is indicated by "Without prior consultation".

INDIVIDUAL INSTRUMENTS

Money Market products:

Money Market products generally include Government and Corporate interest bearing instruments with a maturity (life) of less than one year. Government treasury bills with a 90 day maturity is an example of money market products, as is NCD's or Negotiable Certificates of Deposits. The interest is generally discounted in the purchase price. The risk on money market products are related to the issuer or underwriter. Government paper is generally associated with lower risk than corporate paper. (Low to medium Risk with limited high risk)

Long and short term deposits:

Long and short term deposits are generally interest bearing deposits with financial institutions like banks. The risk is mostly related to the financial soundness of the deposit taking institution and its underlying investments. The JSE offers a quasi deposit taking service in the form of the JSE trustees accounts operated via member firms brokers. This is generally linked to the intermediary service. (Low to medium risk with limited high risk)

Bonds, Debentures and securitised debt:

Bonds and debentures are generally longer term interest bearing instruments. Bonds are generally issued by Governments and semi-government organisations. Debentures are generally issued by corporations which are usually at higher risk levels relate to the issuer. There are various sub categories of debentures i.e. secured or unsecured etc. (Low to medium risk with limited high risk)

Shares and related:

Shares or equity mostly but not always trade on registered exchanges. A Share is a part ownership in a company with the regulated and associated rights thereto. Shares sometimes pay dividends to shareholders. There are various classes of shares with related specifications. Preference shares is a specific class of share which could have hybrid characteristics of ordinary shares and debentures. Exchange trade Funds (ETFs) trade like shares but are a specified collections of shares that track the performance of the specified basket of shares. The risk associated to shares is either systematic risk i.e. the risk that effect all shares like interest rates changes etc, while the risk specific to a share is unsystematic risk, where smaller shares often carry higher risks. Certain Industries or Market sectors carry higher risk than others. (medium to high risk)

Collective investment schemes: (Unit trusts)

Collective investment schemes include unit trusts. The risk of unit trusts vary from trust to trust in relation to underlying investments and investment categories. Money market trust are at the lower end of risk while equity trusts carry higher risk levels which vary with the underlying investments. (Risk related to Individual unit trust strategy as linked to underlying investments))

Derivatives:

Derivatives are generally high risk products or instruments. The value or price of derivatives are derived from an underlying product. Derivatives are generally classified as Forwards, Futures, Options and Swaps. Derivatives exist on the range of Financial products including; Shares, bonds, money market products, indices etc. and Commodities including; oil, gold, wheat, corn etc. as well as other derivable occurrences ie weather.

The risk is related to the risk of the underlying product as well as the gearing risk (discussed separately) and position risk "Long or Short". In trading derivatives the investor or speculator may either take a long position (with expectation of underlying going up) or short positions (with expectation of underlying going down). The risk associated with derivative gearing could result in the investor losing more than the investment/s.

Forwards are similar to futures except that forwards are generally not standardised and do not trade on exchanges.

Futures are contracts to deliver specified products in future at a specified prices, qualities and quantities. The parties to the contract both deposit a margin (cash value or asset) on entering the contract. This margin reduces delivery and default risk. The contract is valued on a daily basis the investor could be required to deposit excess (more) Margin in event of relative negative movement in the underlying. Index futures, Contract for Difference (CFD's) and Single Stock Futures (SSF's) are examples of Future type derivatives.

Options are contracts as the name indicate which gives the buyer of the option the right to buy (call) or sell (put) the underlying product at a future date. As such Options are less risky to the buyer of an option, as opposed to futures, as downside risk is limited to the premium or option purchase price. The added risks associated with options are the decay of the time value, which is part of the purchase price or premium. The risk to the seller of an option is unlimited similar to futures risk.

Swaps are derivatives where assets, parts of assets or accruals related to assets are swapped. The interest on a long term bond could be swapped for the interest on a treasury bill. Currency swaps are also common. The risk is related to the underlying as well as the issuer or related party. Swaps are historically traded over the counter (OTC) or directly between parties and not via an exchange.

Warrants, certificates and other instruments acknowledging, conferring or creating rights to subscribe to, acquire, dispose of, or convert securities

Warrant and Rights to subscription (Nil Paid Letters or NPL's) are similar to options and carry similar risks often with added stipulations. (Higher risk)

FURTHER CLARIFICATION**Listed and unlisted securities:**

Instruments and shares listed on exchanges generally carry lower risk that non listed instruments due to scrutiny and tradability.

Projections and Forecasts

Projections and forecasts given are mostly based on historic performance or movements and as such cannot be relied upon. Past performances are not necessarily indicative of the future.

Investment value

The valuation of the above investments are generally the exchange value or market value.

Charges, fees, commissions, remuneration and other monetary and non monetary incentives

The above are indicated on the mandate and related documents as well as electronic media of the FSP and external suppliers.

Monetary obligations

Monetary obligations are indicated on the mandate and related documents. Non-compliance of these obligations could result in the disposal of assets and the legal recoupment with related actions, from and to the client. In general clients are liable for all costs, expenses and considerations as well as excess losses if any.

Tax considerations

A tax expert should be consulted in relation to tax considerations. In general investments income and gains are taxable.

Liquidity

Investment in financial product are generally not highly liquid and withdrawals could relate to losses. There is also a settlement period on the sale of most financial products.

CLIENT INFORMATION

It is important that the client supplies complete and accurate information with all material facts at all times and the providing of such information is the responsibility of the client. None disclosure cloud have various negative effects including incorrect deposits and transactions.

CONFLICT OF INTEREST POLICY

Xenium Financial Managers has a Conflict of Interest (COI) policy with the aim of Treating clients fairly TCF. This policy may be viewed on request.

DIRECTOR: DANIEL IZAN DE BRUIN

FEES

Fees are charged to the client's account.

Equity accounts

Portfolio structuring (initial fees) fees vary around 3%, once off with new capital inflows

Management fees charged quarterly between 0.25% and 0.5%

Admin fee of R40 including VAT per month

Brokerage fees are charged on a sliding scale: (managed portfolios pay the lower fee.)

The Below scale is for clients trading directly via our dealing desk.

Brokerage Sliding Scales	
Consideration	Xenium Scale
Minimum	R150
Below R25,000	1.4%
R25,000 to R100,000	1.00%
R100,000 to R250,000	0.75%
R250,000 to R1,000,000	0.50%
R1,000,000 +	Negotiable

The below scale if for clients trading directly on the website

Brokerage Sliding Scales	
Consideration	Online Scale
Minimum	R98
Below R25,000	0.9%
R25,000 to R100,000	0.85%
R100,000 to R250,000	0.75%
R250,000 to R1,000,000	0.50%
R1,000,000 +	Negotiable

Mandatory Costs

STRATE settlement costs of 0.005459% of the value of shares traded (Min R10.92 / Max R54.59).

Investor Protection Levy of 0.0002% of the value of shares traded.

VAT of 14% is payable on the brokerage, the settlement costs and the protection levy.

STT (Securities Transfer Tax) is charged at 0.25% on the value of share traded, but is levied only on share purchases.

OTHER FEES, SOFT COMMISSIONS, MONETARY AND NON-MONETARY INCENTIVES

Online Securities supply XFM with trading systems and Connectivity.

Xenium receives a portion of admin and brokerage fees.

Other monetary and non-monetary incentives are limited.

Unit trust accounts

Portfolio structuring (initial fees) fees vary around 3%, once off with new capital inflows

Management fees charged quarterly between 0.25% and 0.5%

Admin fee of 0,57% per annum

Brokerage fees and related fees as part of the portfolio (by the management companies)

Payments

Xenium Financial Managers or any of its representatives cannot accept cash (notes and coins) from any client or prospective client for investment purposes. Any investments should be made directly into the Online Securities account by EFT, cheque, interbank transfer or direct deposit (a cash amount may not exceed R5000.00 as initial investment and/or the maximum during any financial year). State your Xenium/BDA account number as reference.

Bank: First National Bank Account Name: Online Securities Limited
Account Nr: 62225356949 Branch Nr: 255005

This information disclosure document should be read in conjunction with the mandate and other related documents.

I, the undersigned, herewith confirm that my expected initial investment amount will be R _____, ____ .

Client name: _____

Date: _____ Client Signature: _____

DIRECTOR: DANIEL IZAN DE BRUIN