Fountain Grove Office Park
5 2nd Road, Hyde Park
PO Box 2754 Saxonwold, 2132
Tel. 011 502 8810 / 087 353 6992
www.galileocapital.co.za
Registered Financial Services Provider
FSP Licence Number 21239

Date:

Dear

# LETTER OF INTRODUCTION AND ENGAGEMENT

***We empower people to make the best decisions so they can live life with peace of mind.***

**Background**

Galileo Capital Group (Pty) Ltd is a financial services company that offers Wealth Management and Retirement Planning services. Our Wealth Management and Retirement Planning service provides unbiased and objective investment advice to our clients. Our primary area of focus is investment planning. We make use of external specialists to provide other services such as life assurance, estate planning and tax advice at an additional cost as these are not our areas of expertise. We have world class staff and exemplary processes that enable us to create unique, well-structured solutions for our clients.

Galileo Capital (Pty) Ltd is a registered financial services provider with FSP licence number 21239.

Introducing **Warren Ingram**

Contractual Status

I am an Executive Director and shareholder of Galileo Capital and I am an authorised representative of Galileo Capital, which accepts responsibility for the financial services rendered by myself in the financial product categories listed below.

Qualifications and Experience

I am a CERTIFIED FINANCIAL PLANNER® professional as accredited by the Financial Planning Institute of Southern Africa (FPI). In addition, I hold a B Soc.Sc (Economics) degree as well as a Post-Graduate Diploma in Financial Planning. I have completed the Key Individual and Representatives regulatory examination successfully. I confirm that I adhere to the FPI's Principles and Standards of Conduct.
I have been active in the private client financial services industry since November 1996.

**Authorised Product Categories for Category I Advisory and Category II Discretionary**

1. Long-Term Insurance including assistance policies, life risk policies, life investment policies, fund policies, sinking fund policies, long -term reinsurance policies.
2. Investments including shares, money-market instruments, debentures and securitised debt, bonds, derivative instruments, securities and instruments, participatory interest in hedge funds and participatory instruments in a collective investment scheme, retail pension benefits.
3. Pension Fund Benefits.
4. Short-term and Long-term deposits.
5. Structured deposits.

**What would you like us to do for you?**

Please initial next to the service options that suits your needs best.

**Option 1: Wealth Management** (Ongoing adviser fee – R5m minimum investment) Initial here

Detailed written Investment Plan that we will implement and manage on an ongoing basis.

Our Investment Planning Process is very intensive and incorporates gathering information, analysing it, making recommendations and then implementation. We charge no initial fees for this service. Our annual fees are charged according to a sliding scale as per the table below.

| Size of assets under our advice | Fee | Fee + VAT |
|---|---|---|
| R5m – R10m | 1% | 1.15% |
| R10m – R60m | 0.5% | 0.58% |
| Assets above R60m | 0.3% | 0.35% |

Below is an example of our fees on different portfolio values:

| Assets under management | Fee % (incl. VAT) | Annual Fee | Monthly Fee |
|---|---|---|---|
| R5m | 1.15% | R57,500 | R4,792 |
| R15m | 0.96% | R143,750 | R11,980 |
| R30m | 0.77% | R230,000 | R19,167 |
| R80m | 0.59% | R471,500 | R39,292 |

We will review your investment portfolio with you at least annually or whenever changes occur in your life where advice is required. An Investment Plan is not a static document. As your circumstances change, so your plan must be adapted to remain relevant and supportive of your financial goals. Where necessary, we will be proactive to ensure that you make informed decisions and that you are kept informed of developments that will affect you and your financial plan. Our service objective is to have you spend less time worrying about your lifestyle and financial goals, and more time enjoying the benefits of a well-structured, diversified investment strategy. **We will:**

- Act as a sounding board for your major financial decisions, so that you can make the right choices with confidence;
- Alert you to new or better techniques or services that may assist you to reach your goals;
- Advise you on day-to-day issues such as budgeting and managing your cash flow, which helps your on-going money management to support your long-term plan;
- Help you with estate planning, risk management, structuring debt and more – this might incur additional costs and will be disclosed before the time.

Please see the *Iceberg* diagram below that outlines 'The value we create for you' through our wealth management offering.

**Option 2: Investment Plan** (Once off fee) Initial here

Detailed written Investment Plan that is designed for you to manage on your own that we will implement on your behalf.

We charge a flat fee of R 56,390 (including VAT) for an Investment Plan that we will implement on your behalf. The Investment Plan will provide an overall investment strategy designed for your needs as well as detailed recommendations for how your investments should be managed going forward. We will recommend investment companies that will deal directly with you without charging an ongoing advice fee.

**Option 3: DIY Investor** (Hourly consultation) Initial here

We charge R8,050 (including VAT) for hourly consultations with Warren to discuss a specific personal finance issue that you might have.

**Option 4: DIY Investor Plus** (R150 000 minimum investment)

Initial here

As with DIY Investor, we charge R2,270 (including VAT) for an initial consultation to discuss your personal circumstances and ensure this solution is best for you. You will then develop your own financial plan using an automated advice platform. We review your plan before implementation and you will receive regular statements and an automated annual progress report. The cost of this platform is 0.25% (excl. VAT). You will receive discounts on future hourly consultations as follows:

| Size of assets under our advice | Fee + VAT | Discount on future consultations |
|---|---|---|
| R150,000 – R3m | 0.29% | 20% |
| R3m – R5m | 0.29% | 40% |

**Option 5: Email consultation** (Once off fee)

Initial here

We charge R1,535 (including VAT) for an email consultation with one of our qualified Financial Planners to discuss specific financial questions that you may have. This option is suitable if you are not able to take time out from work during business hours, or if you have already met with one of our Financial Planners, and just have additional questions.

# THE VALUE WE CREATE FOR YOU *

galileocapital

Challenging Conventional Wisdom

## WHAT YOU SEE

Financial roadmap & implementation with objective advice & tailored solutions

Review meetings & communication

Administration

Financial Summaries

Monthly Newsletters

## WHAT YOU DON'T SEE

Ongoing review of investment services

Ongoing research of investments and products

Continuous improvement of tech solutions (like statements & wealth planning tools)

Ongoing monitoring of concerns / matters of relevance

Cap number of clients per planner to ensure a high level of service

Behavioural coaching & guidance through market turbulence

Sounding board for major financial decisions & provide assistance through all life transitions including:

- Retirement
- Retrenchment
- Emigration
- Births/death
- Divorce

* The *Iceberg* diagram relates to Galileo's Wealth Management Offering.

## Meet the team

Theo Vorster
CEO

Warren Ingram CFP® Professional
Executive Director and Senior Financial Planner

Yolande Botha CFP® Professional
Executive Director and Senior Financial Planner

Frank Daubenton CFP® Professional
Operations Executive & Financial Planner

Sherelee Van Rooyen CFP® Professional
Financial Planner

Monique Bräsler CFP® Professional
Financial Planner

Stienemarié Bonsma-Potgieter CFP® Professional
Financial Planner

Katlego Mei CFP® Professional
Financial Planner

Lyndi Smith
Relationship Manager

Dimpho Kiti
Relationship Manager

Charlene van Rooyen
Relationship Manager

**Contracts with Product Suppliers**
Galileo Capital holds several contracts with authorised product suppliers and we have been accredited with the following suppliers:

| | |
|---|---|
| Allan Gray Investment Services | Nedgroup Investments |
| Ashburton Investments-Local and International | PSG Wealth |
| Coronation Investment Services | Sanlam Life and Glacier Financial Solutions |
| Ninety One Investment Management Services including Investec Corporate Cash Manager and Investec Bank Foreign Currency | Swissquote Bank Ltd |
| Momentum Group including Momentum Securities | Interactive Brokers |
| Old Mutual Life and Investment Services | Canaccord |
| OUTvest | FNB Stockbroking & Portfolio Management |
| Currency Partners | |

**Remuneration**
We are paid for the advice we dispense and the service we render through a salary. In addition to this, some of our planners are also shareholders in the Galileo Group of Companies. As such, our planners may be indirect shareholders in Galileo Asset Managers (Pty) Ltd.
In the last twelve months, we received more than 46% of our fee income from Swissquote Bank Ltd.

**Treatment of Funds**
No monies will be paid directly into Galileo Capital's bank account; all investments shall be made directly to the applicable investment company.

**Waiver of rights**
As an authorised Financial Services Provider I / we may not request or induce in any manner a Client to waive any right or benefit conferred on the Client by or in terms of any provision of the General Code of Conduct, or recognise, accept or act on any such waiver by a Client.

**Compliance with Financial Advisory and Intermediary Services Act "FAIS"**
Galileo Capital has contracted the services of Moonstone Compliance (Pty) Ltd to support the compliance process. Moonstone Compliance (Pty) Ltd (Practice number 188) is represented by André Knobel email: aknobel@moonstonecompliance.co.za. Moonstone Compliance can be contacted at: Physical address: 25 Quantum Street, Techno Park, Stellenbosch, 7600. Tel No: 021-8838000.

**Financial Intelligence Centre Act (FICA)**
Please note that in terms of the Financial Intelligence Centre Act (FICA), Galileo Capital is an accountable institution under law and as such obliged to report suspicious and unusual transactions that may facilitate money laundering to the authorities.

**Protection of Personal Information Act (POPIA)**
Please note that in terms of the Protection of Personal Information Act (POPIA), Galileo Capital is a responsible party, and we understand that your personal information is important to you. Your privacy is important to us, and we are committed to safeguarding and processing your information in a lawful manner. For more information on how we safeguard, process, and when necessary share your personal information with 3rd parties in terms of our services, please follow this link on our website to the Galileo Capital privacy notice: https://galileocapital.co.za/privacy-notice/.

**Treating Customers Fairly (TCF)**
The principles of TCF form a central part of the culture of our business. These principles aim to protect the client and instil confidence in the financial services industry. We strive to simplify the investment process by providing relevant information in a manner that is understandable to the client. Both you and Galileo Capital will derive a benefit from our relationship.

**Conflict of Interest Policy**
Please note that Galileo Capital has a conflict-of-interest policy in place and this policy is available for public scrutiny. Please contact our compliance team at compliance@galileocapital.co.za if you would like to view our conflict-of-interest policy.

**Complaints**
If you are dissatisfied with any aspect of my service you may contact my employer at compliance@galileocapital.co.za. Galileo Capital has a complaints handling process to deal with any complaints that may arise.

Should you wish to pursue a complaint against me, you should address your complaint in writing to Theo Vorster, the CEO of Galileo Capital at PO Box 2754, Saxonwold, 2132.

**Indemnity Insurance**
Galileo Capital holds professional indemnity and fidelity insurance.

**Confidentiality**
Galileo Capital wish to confirm that all information obtained or acquired about you shall remain confidential unless you provide written consent, or unless we are required by any law to disclose such information.

**Termination**
This agreement may be terminated by either party within 30 calendar days' written notice to the other party.

**Basis of advice**
For us to provide you with appropriate advice it is important that you give us sufficient particulars of your current financial circumstances. Failure to make a full disclosure could result in our advice being compromised and may result in you embarking on a course of action that is inappropriate to your needs and financial objectives.

| How to contact us: | Our physical address: |
|---|---|
| **Switchboard:** 011- 502 8810/0873536992 (o/h)<br>**Email Details:**<br>Warren Ingram: warren@galileocapital.co.za | Fountain Grove Office<br>Park 5 Second Road<br>Hyde Park<br>2195 |

**Conclusion**

The object of this letter of introduction is to provide you with information required by law, but also additional information about ourselves and the business we represent to allow you to make an informed decision about your choice of financial planner and financial planning service.

Should there be any additional information you require during our process of engagement please feel free to ask us.

Yours sincerely,

**Warren Ingram**
Senior Financial Planner

## CLIENT ACKNOWLEDGEMENT

I, the undersigned hereby acknowledge receipt of this **Letter of Introduction and Letter of Engagement** and confirm that I have been advised of and understand its contents.

## CLIENT CONSENT TO PROCESS AND SHARE INFORMATION

I, the undersigned hereby provide authorisation/consent to the processing and sharing of my personal information for the purposes outlined in the Galileo Capital Privacy Notice that is updated from time to time and available at https://galileocapital.co.za/privacy-notice/.

| | |
|---|---|
| ______________________________ | ______________________________ |
| **CLIENT SIGNATURE** | **CLIENT SIGNATURE** |
| ______________________________ | ______________________________ |
| **PRINT NAME** | **PRINT NAME** |
| __________________________ | __________________________ |
| **DATE** | **DATE** |